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Transparency and Accountability in Public-Private Partnerships

Hla Thel Phyu

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Declaration:
Hereby I declare that this doctoral thesis, my original investigation and achievement, submitted for the doctoral degree at Tallinn University of Technology has not been submitted for doctoral or equivalent academic degree.

Hla Thel Phyu

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Contents

List of publications

The thesis has been prepared based on a compilation of the author's publications, which are listed below:

I Phyu, H.T. (2026). A systematic review of transparency in Public-Private Partnerships: Current trends and future research directions. *International Journal of Construction Management*, 26(9), 1905-1924, https://doi.org/10.1080/15623599.2025.2568105

II Phyu, H.T., & Demirag, I. (2026). Voluntary disclosure and transparency of Special Purpose Vehicles in Public-Private Partnerships. *Public Performance and Management Review*, 49(2), 477-509, https://doi.org/10.1080/15309576.2025.2563371

III Phyu, H.T., & Demirag, I. (2026). Unpacking financial transparency and accountability in public-private partnerships. (Manuscript)

Author’s contribution to the publications

Contributions to the publications in the thesis are categorized as follows:

I The author of the thesis is the sole author of the Paper I (Phyu, 2026). It presents the first systematic review of transparency in PPPs, synthesizing existing studies and developing a governance-based framework linking transparency, accountability, risk management, trust, stakeholders’ participation and project success. It identifies major research gaps, including geographic bias and limited theory use.

II The author of the thesis played a leading role in writing research Paper II (Phyu & Demirag, 2026) and served as the corresponding author during the publishing process. Drawing on Bourgeois Political Economy Theory, the paper provides key insights into accountability and transparency in PPPs financial reporting by identifying mechanisms of opacity, selective disclosure, and institutional shielding that reveal governance imbalances between SPVs and their parent companies. It highlights the need for stronger regulatory oversight to tighten public interests.

III The author of the thesis played a leading role in writing the research Paper III and served as the corresponding author. It offers the first study of PPP experts’ views on voluntary disclosure practices, showing that disclosure is largely shaped by SPVs’ parent companies and regulators, highlighting uneven power dynamics, and calling for standardized reporting and independent bodies to enhance accountability and stakeholder confidence.

Introduction

Public–Private Partnerships (PPPs) are long-term contractual arrangements between public procuring authorities and private sector companies that are widely used to finance major infrastructure and capital investment projects such as schools, hospitals, prisons and roads (Broadbent & Laughlin, 1999; HM Treasury and IPA, 2019). It is also known as Private Finance Initiatives (PFI). PPPs are also referred to as P3s or P2s in some other countries. Given their growing role in delivering public infrastructure and services, as well as their promotion as a key mechanism for achieving the sustainable development goals (SDGs) by 2030 through infrastructure investments (UNECE, 2023), PPPs have attracted increasing attention from researchers, policymakers, and practitioners. This growing importance has also heightened concerns regarding how PPP projects are governed, monitored, and held accountable for the use of public resources.

Globally, PPPs have drawn widespread criticism for their complex governance and negative impact on public finances, prompting increased scrutiny and demands for greater transparency and accountability in the management of public funds (Caperchione et al., 2017; Lee & Kim, 2024; Viana et al., 2023; Yang et al., 2024). Transparency generally refers to the availability and accessibility of relevant information that enables stakeholders to understand, monitor, and evaluate organisational activities, while accountability concerns the obligation of organisations to explain and justify their actions and performance (Bovens, 2010; Hood, 2010). Although closely related, transparency does not automatically guarantee accountability unless disclosed information is understandable, meaningful, and capable of supporting effective stakeholder scrutiny. In the context of financial reporting, transparency is inherently linked to the disclosure of accounting information and the extent to which stakeholders can access relevant, reliable, and understandable information (Albu & Flyverbom, 2019; Shaoul et al., 2010). These issues are particularly important in PPPs, which operate through hybrid governance arrangements that combine public-sector objectives with private-sector financing, management, and service delivery. In such settings, disclosure behaviour, including both voluntary and mandatory financial and non-financial reporting, plays a central role in shaping transparency and accountability outcomes.

Reflecting these growing demands for transparency and accountability, regulatory initiatives have increasingly emphasized corporate sustainability and disclosure practices. For example, the Corporate Sustainability Reporting Directive (CSRD), effective from 2025, requires companies to report in accordance with the European Sustainability Reporting Standards (ESRS), thereby strengthening disclosure practices and enabling stakeholders to assess climate and sustainability risks (European Commission, 2024). Building on these global debates, this thesis is motivated by the growing demand for greater transparency and accountability in public infrastructure projects, as well as increasing concerns regarding the disclosure practices that shape financial reporting transparency over the past two decades. This concern is particularly pronounced in the United Kingdom (UK), where the PPPs model, introduced in 1992, has remained politically contentious (Hodges & Mellett, 2004; Shaoul, 2021; Shaoul et al., 2010). Although no new PPPs/PFI projects have been initiated in the UK since 2018, existing projects with a total value of £11.7 billion are expected to return to public ownership by 2030 (National Audit Office, 2020). This policy shift reflects longstanding debates and criticism surrounding the UK's PPPs model, particularly regarding regulatory oversight and market control, the use of off-balance sheet accounts, questions of value for money (VFM), the fiscal implications of costly private financing agreements (Acerete et al., 2019; Alkaraan & Floyd, 2020; Andon, 2012; Eckersley & Ferry, 2020), potential fiscal risks (Ahmad et al., 2021; Committee of Public Accounts, 2018; Information Commissioner’s Office, 2019), and the complexity of governance structures (Stafford & Stapleton, 2017, 2022).

Within PPPs arrangements, infrastructure delivery is typically undertaken through legally separate private companies, special purpose vehicles (SPVs), established to design, build, finance, maintain, and operate (DBFMO) individual projects (see Figure 1). They are also known as PPP project companies (House of Commons, 2018). The SPVs’ parent companies, as equity holders, typically manage multiple PPPs projects. The public authority contracts with the SPVs, which then establishes agreements with investors, lenders, a management service company, and subcontractors for construction and service delivery. The authority makes unitary payments to the SPVs, which allocates them as dividends to investors, repayments to lenders, and payments for management and subcontracted services (National Audit Office, 2018). While SPVs serve as contractual and financial intermediaries between public authorities and private investors, their governance arrangements may create institutional distance between project-level activities and ultimate corporate ownership (Acerete et al., 2019; Stafford & Stapleton, 2022). With rising public expenditure, another issue is the perceived lack of transparency and accountability in SPVs’ reporting regarding the use of public funds (Shaoul, 2021; Shaoul et al., 2010, 2012; Viana et al., 2023). Furthermore, the influence exerted by parent companies over SPVs has been identified as an additional governance concern (Edgar et al., 2018; Sainati et al., 2020).

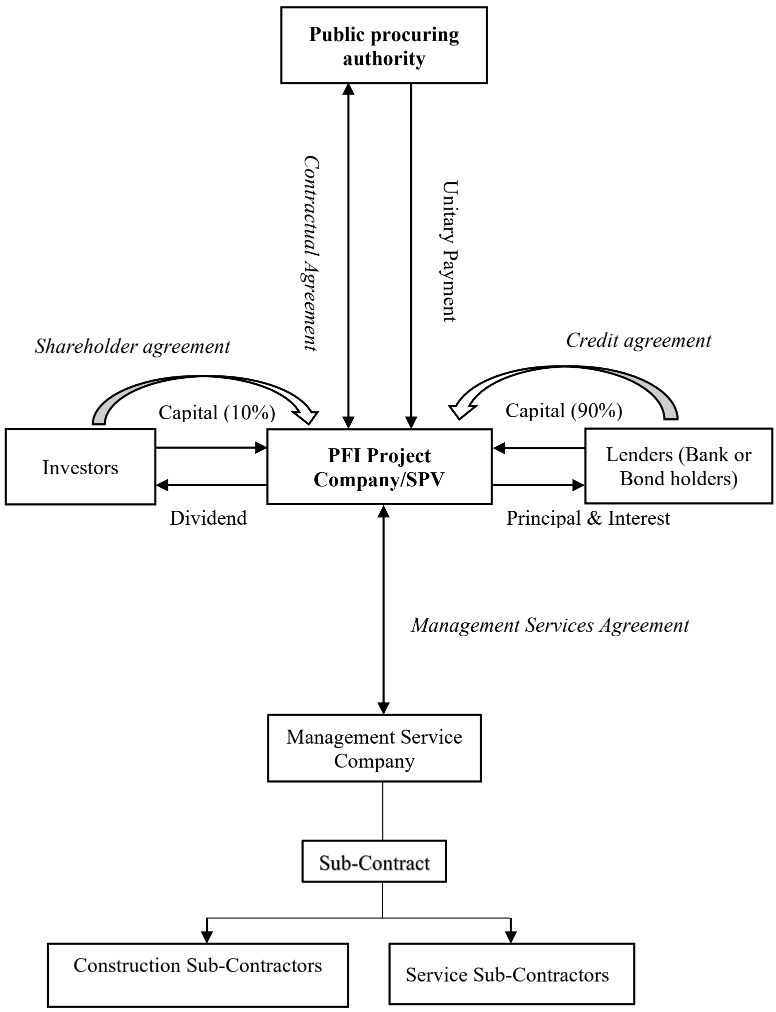

Figure 1. The UK's PPPs operating structure.
Source: Compiled by the author, adapted from (National Audit Office, 2018, p. 7)

Although prior research has extensively examined public-sector accountability and value for money considerations in PPPs (Alkaraan & Floyd, 2020; Caperchione et al., 2017; Demirag, 2005; Viana et al., 2023), the disclosure, transparency, and accountability practices of private-sector companies have received comparatively limited attention. As a result, important questions remain concerning the organisational and institutional mechanisms through which transparency and accountability are constructed in privately governed infrastructure projects in the UK. Moreover, existing research provides limited insight into how transparency has been conceptualised within the PPPs literature, how voluntary disclosure practices have evolved in project-level companies such as SPVs, and how these practices are perceived by professionals directly involved in PPPs projects. This thesis therefore focuses on the underexplored area of SPVs and their parent companies in shaping transparency and accountability within the PPPs context.

Although this thesis focuses on the UK's PPPs, its contributions are internationally relevant, as similar transparency and accountability challenges are observed across diverse institutional and regulatory contexts in countries such as Spain, Portugal, Australia, the United States, and China. Studies highlight recurring issues such as fragmented and delayed reporting practices and weak accountability in Spain (Acerete et al., 2019), limited accrual-based and non-financial disclosures in Portugal (Viana et al., 2021), contrasting approaches in Australia and the U.S. (Boyce & McDonald-Kerr, 2020), and politically influenced reporting environments in China (Tang et al., 2023; Xue et al., 2022), collectively illustrating how institutional arrangements shape disclosure behaviour in PPPs. Moreover, despite contextual differences, persistent concerns over value-for-money assessments, reporting standards, independent oversight and public accountability emerge across jurisdictions (Ahmad et al., 2021; Boyce & McDonald-Kerr, 2020). By contextualising UK's PPPs disclosure practices within this wider international landscape, this thesis provides insights that extend beyond a single national model and contribute to the global debate on transparency and public accountability in PPPs governance.

Against this backdrop, the overall aim of this thesis is to:

1. Critically examine how transparency and financial accountability are constructed through voluntary disclosure practices within PPPs;
2. Analyse the organisational mechanisms through which SPVs and parent companies shape disclosure behaviour in PPPs governance;
3. Evaluate how voluntary financial and non-financial disclosures by SPVs and parent companies contribute to public accountability under growing sustainability and environmental, social, and governance (ESG) expectations.

To address this aim, this thesis develops a set of research questions that sequentially examines transparency from conceptual, organisational, and stakeholders' perspectives across the three studies (see Table 1).

Table 1. Research questions
Source: Compiled by the author

	Research Questions
Evolution of transparency	1. How has the research on transparency in PPP/PFI evolved? 2. Which aspects of transparency are most frequently addressed in the literature on PPP/PFI, and what are the critiques of this transparency literature? 3. What emerging themes are evident? 4. What are the proposed directions for future research to enhance transparency within PPP/PFI?
Voluntary disclosure in SPVs	1. What significant changes, if any, have occurred in the level of voluntary financial disclosure practices among SPVs involved in DBFMO road projects over the last two decades? 2. Is there any significant difference in the level of voluntary financial disclosure between SPVs that have been subjected to strong environmental criticism compared with those that have not? 3. To what extent do ultimate parent companies of SPVs provide voluntary financial disclosure and incorporate environmental provisions following IAS 37, and how does this impact the disclosure practices of their SPVs?
Experts' perspectives on voluntary disclosure	1. What are the key financial disclosure practices of SPVs? 2. How do various stakeholder groups influence SPVs' financial and non-financial disclosure practices? 3. To what extent do PPP experts perceive the voluntary disclosures and accountability practices of SPVs as transparent? 4. To what extent do PPPs experts address environmental reporting issues both within SPVs and their parent companies?

From a political economy theory (PET) perspective (Cooper & Sherer, 1984; Gray et al., 1995; Guthrie & Parker, 1989), disclosure behaviour in SPVs and their parent companies reflects strategic responses to stakeholder expectations, legitimacy pressures, and governance constraints. In this context, Bourgeois political economy theory (BPET) is a particularly relevant framework for examining voluntary disclosure practices in PPPs. BPET emphasizes how competing interest groups shape corporate behavior, and prior studies show that firms disclose financial, environmental, and social information not merely to satisfy regulatory requirements but to respond to stakeholder demand (Deegan, 2014; Ramananda & Atahau, 2020; Soobaroyen & Mahadeo, 2016; Williams, 1999). Drawing on these insights, this thesis examines how PPPs' private companies, SPVs, and their parent companies use voluntary disclosure to strengthen transparency and public accountability under growing public scrutiny.

Based on the theoretical and empirical gaps identified above, this thesis adopts a multi-study research design to examine transparency and financial accountability at the micro-organisational level of SPVs and their parent companies within the UK's PPPs context (see Figure 2). As illustrated, growing macro-level pressures for transparency and accountability in PPPs governance necessitate closer scrutiny of disclosure practices at the project-company level, where financial reporting and voluntary disclosure decisions are enacted.

Collectively, the three studies address complementary research questions that examine transparency and voluntary disclosure practices in PPPs from conceptual, organisational, and stakeholders' perspectives. Paper I (Phyu, 2026) addresses the absence of a systematic literature review (SLR) of transparency research in PPPs by critically examining how transparency has been conceptualised, theorised, and empirically investigated in prior literature. Building on these insights and drawing on BPET, Paper II (Phyu & Demirag, 2026) shifts the analytical focus to the organisational level by examining voluntary financial disclosure and environmental provisions within SPVs and their parent companies involved in UK's DBFMO road projects, with particular attention to desirable disclosures, environmental criticism and reporting practices under IAS 37. To understand how PPPs' experts interpret these disclosures, why reporting gaps persist, and how organisational structures and incentives shape transparency outcomes, Paper III builds on the previous studies by examining stakeholder influence, accountability, and environmental reporting within SPVs and their parent companies. Together, the three studies provide a sequential understanding of transparency challenges in PPPs governance by linking the conceptualisation of transparency and accountability in the literature with empirical evidence on disclosure practices and organisational perceptions.

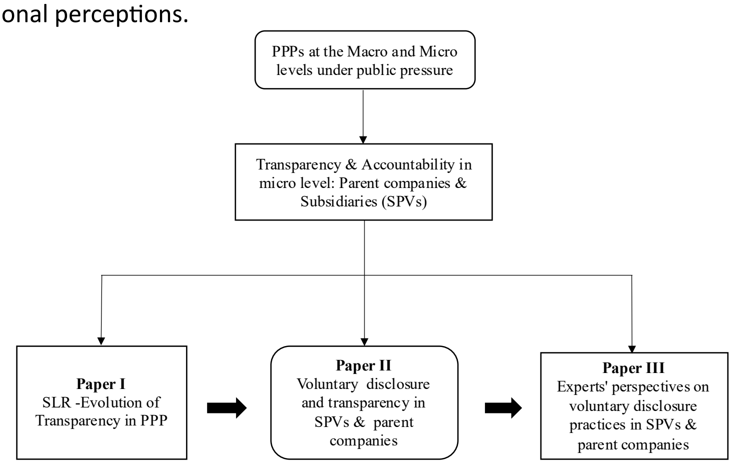

Figure 2. Overview of the thesis.
Source: Compiled by the author

Overall, these studies make a substantial theoretical contribution to understanding transparency and accountability in PPPs. Paper I delivers the first systematic review of transparency in PPPs, synthesising 67 studies (2010–2022) and defining six thematic areas. It introduces a conceptual framework showing how governance drives transparency, accountability, stakeholder participation, and risk management, all of which contribute to trust and project success.

Drawing on BPET, Paper II demonstrates how opacity, selective disclosure, and institutional shielding function as strategies through which firms manage reputational and financial risks while shielding parent companies from direct accountability. In doing so, it extends debates on capitalist functioning by showing how disclosure practices embody the persistent tension between profit maximisation and social responsibility, where financial gains are prioritised and social or environmental liabilities are externalised. Paper II advances theoretical development by synthesising a fragmented body of research, identifying conceptual and methodological gaps, and proposing interdisciplinary frameworks, including institutional, stakeholder, and legitimacy perspectives, for studying governance, accountability, and stakeholder participation.

Paper III deepens these insights by examining expert perspectives and highlighting how parent companies' structural dominance and board-level control shape both financial and non-financial disclosures, particularly in the context of ESG and sustainability reporting. The findings show that disclosure practices are largely driven by SPVs' parent companies and regulators, while public and media influence remains limited, resulting in selective transparency aligned with private interests rather than full accountability. By incorporating expert-based evidence, this study contributes to the literature by bridging the gap between reported disclosure practices and practitioner perceptions, and by highlighting the need for stronger, standardised reporting frameworks and enhanced accountability mechanisms in PPPs governance.

Taken together, this thesis provides a richer theoretical understanding of the political economy of disclosure in hybrid governance models within PPPs, illustrating how corporate strategies and institutional arrangements interact to shape transparency outcomes. Beyond these conceptual contributions, the thesis also offers practical implications for regulatory design, standard-setting, and accountability reforms aimed at fostering more transparent, equitable, and sustainable PPPs governance that addresses real-world challenges in transparency and accountability.

While this thesis provides new insights into transparency and accountability in PPPs, several limitations should be acknowledged. The empirical analysis focuses primarily on the UK PPPs/PFI context, including a limited sample of road-sector SPVs and their parent companies, which may restrict the generalisability of the findings. In addition, the questionnaire study captures the perceptions of PPP experts and therefore reflects professional viewpoints rather than the experiences of all stakeholder groups. Furthermore, the document-based analyses rely on publicly available disclosures and cannot fully capture the internal organisational processes and decision-making mechanisms that shape disclosure practices. These limitations provide opportunities for future research, which are discussed in the final section of the thesis.

Abbreviations

PPPs	Public-Private Partnerships
PFI	Private Finance Initiatives
SPVs	Special Purpose Vehicles
UK	United Kingdom
VFM	Value for Money
PET	Political Economy Theory
FOI	Freedom of Information
BPET	Bourgeois Political Economy Theory
ESG	Environmental, Social, and Governance
DBFMO	Design, Build, Finance, Maintain, Operate
IAS	International Accounting Standard
SLR	Systematic Literature Review
IFRS	International Financial Reporting Standards
SASB	Sustainability Accounting Standards Board
CSRD	Corporate Sustainability Reporting Directive
SDGs	Sustainable Development Goals
ESRS	European Sustainability Reporting Standards

1. Theoretical framework

1.1 Transparency, accountability and disclosure in PPPs and SPVs

Transparency in this thesis is closely associated with the disclosure of financial and non-financial information that enables stakeholders to monitor the use of public resources (Shaoul et al., 2010; Stafford & Stapleton, 2017). In hybrid governance arrangements such as PPPs where private organisations undertake public service responsibilities, financial reporting becomes a primary mechanism through which accountability is exercised (Dillard & Vinnari, 2019). Accountability refers to the obligation of organisations to justify their decisions and performance to external stakeholders, including regulators, investors, and the public (Bovens, 2010; Hood, 2010).

Within PPPs structures, SPVs play a central role in project delivery. These private entities act as intermediary organisations linking public procuring authorities with investors, lenders, subcontractors and parent companies, while managing contractual relationships and financial flows at the project level (National Audit Office, 2018). Although SPVs are responsible for implementing publicly funded infrastructure projects, they operate within private-sector reporting regimes that are not subject to the same statutory disclosure obligations as public-sector entities. As a result, transparency and accountability in PPPs are frequently constrained by complex governance structures, fragmented reporting responsibilities, commercial confidentiality clauses, regulatory exemptions in private-sector accounting, and limitations in freedom-of-information (FOI) provisions (Grossi et al., 2022; Mei & Zheng, 2024; Stafford & Stapleton, 2022; Velotti et al., 2012).

Moreover, the hybrid organisational form of SPVs enables parent companies to invest in infrastructure projects without direct operational involvement while retaining financial control over project-level reporting. This institutional separation may obscure financial or environmental liabilities and weaken accountability mechanisms (Sainati et al., 2020). In some cases, wholly owned SPVs may also be exempt from disclosing related-party transactions or detailed cash flow statements under accounting standards such as FRS102. High-profile corporate failures, including the use of SPVs by Enron and the collapse of Carillion, illustrate how complex subsidiary networks may conceal financial risks and limit public scrutiny (Clark & Demirag, 2002; Demirag, 2018). Under these conditions, voluntary disclosure becomes a critical source of information for stakeholders seeking to assess VFM and monitor public expenditure in PPPs projects (Shaoul et al., 2012; Stafford et al., 2010).

1.2 Political economy theory

Political economy theory (PET) suggests that financial reporting transparency is inherently shaped by broader economic, political and social environments (Gray et al., 1995). Accounting disclosure practices can therefore be understood through PET, which conceptualises accounting reports as socially constructed instruments influenced by competing societal interests rather than as neutral representations of organisational performance (Cooper & Sherer, 1984; Guthrie & Parker, 1989).

From this perspective, disclosure practices are influenced by stakeholder expectations, regulatory environments, public scrutiny and reputational considerations (Gray et al., 1996; Gray, 1988). Organisations may respond strategically to these pressures by disclosing only the information necessary to maintain legitimacy or market stability, particularly where increased transparency may threaten commercial interest (Beelitz & Merkl-Davies, 2019). Selective disclosure may therefore generate transparency deficits, as both governments and private firms prioritise institutional or financial interests over public accountability in corporate reporting. While stakeholder theory, legitimacy theory and classical PET have been widely used to examine corporate disclosure behaviour (Beelitz & Merkl-Davies, 2019; Cho & Patten, 2007), voluntary disclosure practices in PPPs project companies, particularly SPVs and their parent firms, remain underexplored within hybrid governance settings.

1.3 Bourgeois political economy theory

PET can be conceptualised from either a Classical or Bourgeois perspective, distinguished primarily by the level of analytical resolution and the extent to which structural conflict within society is emphasised. Classical PET, rooted in Marxist thought, focuses on inequality, conflict, and the state's role in maintaining capitalism. BPET, derived from J. S. Mill, assumes existing power relations and wealth distributions as given, emphasising coexistence among diverse interests within a pluralistic society (Gray et al., 1995, 1996).

This thesis adopts BPET as the primary analytical lens for explaining voluntary financial and environmental disclosure practices in SPVs. BPET is particularly relevant for examining disclosure behaviour of SPVs and parent companies in the PPPs context because it assumes that existing distributions of economic power and institutional authority are largely stable, and that organisational responses to societal pressures occur within these established structures rather than through systemic transformation. Under BPET, organisations are viewed as rational actors that strategically manage relationships with external stakeholders in order to maintain legitimacy and ensure continued access to economic resources (Gray et al., 1996). In hybrid governance arrangements of PPPs such as SPVs and their parent companies interact with a diverse range of stakeholder groups, including regulators, investors, lenders, environmental advocacy groups, media organisations and local communities. These stakeholders generate social, political, and economic pressures that may influence organisational disclosure decisions. However, BPET suggests that organisations may respond selectively to such pressures by prioritising disclosures that enhance legitimacy while limiting the visibility of financial risks, environmental liabilities, or contractual obligations (Gray et al., 1996).

Within this framework, voluntary disclosure functions as a strategic organisational mechanism through which firms manage reputational risks, mitigate regulatory scrutiny, align with institutional expectations, and preserve investor confidence without fundamentally altering underlying governance or accountability structures. Furthermore, BPET highlights how organisational hierarchies such as the relationship between SPVs and their parent companies may shape disclosure practices by concentrating decision-making authority within corporate boards. This concentration of control may allow parent companies to influence project-level reporting in ways that protect financial interests while externalising potential social or environmental costs.

Additionally, from a BPET perspective, voluntary financial and environmental disclosures may function as legitimacy-seeking mechanisms rather than as genuine commitments to transparency (Deegan, 2014; Soobaroyen & Mahadeo, 2016; Williams, 1999). Organisations may disclose selected information in response to stakeholder pressure or reputational concerns while omitting details that could increase financial or regulatory exposure. Public controversy, particularly environmental criticism, may influence disclosure behaviour in PPPs infrastructure projects. Projects with visible environmental impacts such as congestion, pollution or noise often attract media attention and community concern (Wolf & Van Dooren, 2017). Stakeholder pressure and regulatory scrutiny may therefore encourage firms to disclose environmental narratives or sustainability-related information aimed at shaping public perceptions (Edgar et al., 2018; Healy & Serafeim, 2020). Nevertheless, discrepancies between reported sustainability practices and actual performance raise concerns regarding the reliability and completeness of voluntary disclosures (Vigneau & Adams, 2023). Moreover, media exposure may prompt disclosure of environmentally relevant financial information (Cormier et al., 2005; Paananen et al., 2021), yet organisations may simultaneously limit transparency in order to mitigate reputational risks.

1.4 Application of BPET in the empirical studies

Building on the theoretical foundations discussed above, BPET serves as the overarching analytical lens for the empirical studies included in this thesis. The theory provides a framework for examining how transparency and accountability are shaped by interactions between organisational interests, stakeholder pressures, and governance structures within PPPs arrangements.

In Paper II, BPET is applied to investigate the voluntary financial and environmental disclosure practices of SPVs and their parent companies. The study examines whether public scrutiny, environmental criticism, and stakeholder expectations influence disclosure practices and transparency outcomes. From a BPET perspective, voluntary disclosure is interpreted not only as a mechanism for enhancing transparency but also as a strategic organisational response through which firms manage legitimacy, reputational risks, and commercial interests. The study further explores how parent companies may influence project-level reporting practices and the extent to which disclosure decisions reflect broader organisational interests rather than public accountability objectives.

In Paper III, BPET is extended to examine PPPs professionals' perceptions of transparency, accountability, and disclosure practices within SPVs and their parent companies. Particular attention is given to the perceived influence of stakeholder groups, including regulators, investors, lenders, parent companies, media organisations, and the public, on both financial and non-financial disclosure practices. By exploring how PPPs' experts interpret the drivers of disclosure practices, the study provides insights into the institutional and governance mechanisms that shape accountability expectations in PPPs. The findings also contribute to understanding how organisational power structures, particularly the relationship between SPVs and their parent companies, influence transparency and accountability in practice.

Taken together, Papers II and III provide complementary perspectives on transparency and accountability at the micro level of PPPs governance. While Paper II examines actual disclosure practices and organisational responses to external pressures, Paper III investigates how these practices are perceived and evaluated by PPPs experts. Collectively, the studies contribute to a deeper understanding of how disclosure practices are shaped by stakeholder demands, governance arrangements, organisational interests, and institutional power relations, consistent with the central propositions of BPET.

1.5 Conceptualising disclosure practices in SPVs and parent companies

Drawing on BPET assumptions, this thesis conceptualises voluntary disclosure practices as organisational responses to both macro-level societal expectations and project-level institutional pressures. Public scrutiny may influence SPVs and their parent companies to adopt selective disclosure strategies aimed at preserving legitimacy rather than ensuring substantive accountability. Higher levels of voluntary disclosure may therefore reflect perceived legitimacy threats arising from stakeholder demands or environmental criticism. Conversely, limited disclosure may indicate strategic opacity and alignment of interests between SPVs and parent companies, reinforcing BPET's proposition that accounting practices serve to maintain prevailing economic structures (see Figure 3). Through this lens, disclosure behaviour in SPVs is interpreted as a politically mediated process shaped by organisational self-interest, reputational concerns and institutional power dynamics rather than solely as a compliance exercise.

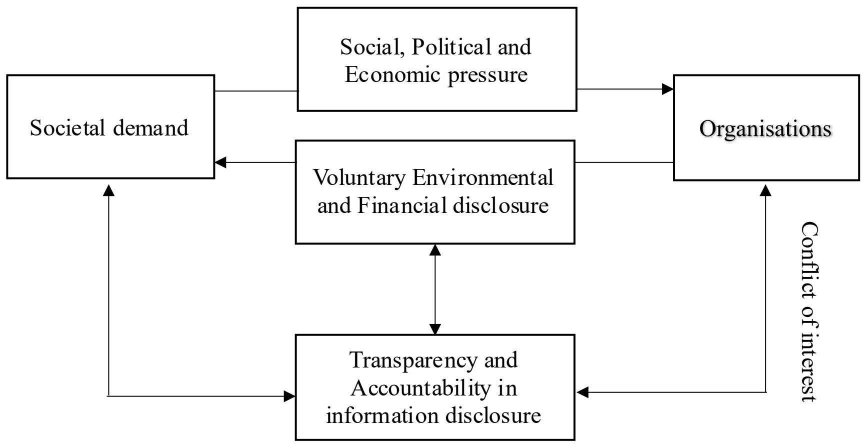

Figure 3. Impact of societal forces on organisational disclosure: A BPET perspective
Source: Compiled by the author, adapted from (Gray et al., 1996; Gray, 1988; van Staden, 2003)

The preceding theoretical discussion highlights that transparency in PPPs governance cannot be understood solely as a function of formal regulatory frameworks but must also be interpreted in relation to voluntary disclosure practices shaped by organisational interests and institutional power dynamics within hybrid public–private arrangements. Building on this theoretical framework, the following section outlines the research design and methodological approach adopted to investigate voluntary disclosure practices in SPVs and their parent companies within PPPs.

2. Research design and method

2.1 Overall research strategy

This thesis adopts a multi-study research design to examine transparency in voluntary financial and non-financial disclosure practices within the UK's PPPs projects, with a particular focus on SPVs and their parent companies. Consistent with the BPET framework outlined in the preceding section, the research strategy is designed to capture disclosure practices as organisational responses to institutional pressures, stakeholder expectations, and reputational concerns within hybrid governance arrangements. A brief overview of research methods and design is presented in Table 2.

To address the overall aim of examining transparency and accountability in PPPs, this thesis adopts a multi-study research design focusing on voluntary financial and non-financial disclosure practices within the UK PPPs projects, particularly those of SPVs and their parent companies. The thesis combines three complementary research approaches:

(i) a mixed-method SLR of transparency research in PPPs;
(ii) a longitudinal archival content analysis of voluntary financial and environmental disclosures within SPVs and their parent companies; and
(iii) a cross-sectional expert survey examining practitioner perceptions of disclosure adequacy and accountability in PPPs governance.

Together, these approaches enable triangulation across conceptual, organisational, and institutional levels of analysis. The sequential design allows insights generated in earlier studies to inform the scope and analytical focus of subsequent investigations. Specifically, Paper I identifies conceptual, theoretical and methodological gaps in transparency research, which inform the empirical examination of disclosure practices undertaken in Paper II. Building on the findings of these studies, Paper III captures PPP experts' perspectives regarding the adequacy and relevance of financial and non-financial disclosures within SPVs and their parent companies.

Table 2. Summary of research design and methods across the three studies
Source: Compiled by the author

Paper	**I**	**II**	**III**
Design	Systematic Literature review	Longitudinal archival research design	Cross-sectional questionnaire survey
Population	67 articles (Scopus Database)	13 SPVs and their parent companies involved in UK DBFMO PPP road projects	PPPs' experts from PPPs Research LinkedIn Group
Study Period	January 1, 2010 - December 31, 2022	2004 - 2019	May 13, 2024 - July 20, 2024

Paper	I	II	III
Method	Mixed-method (bibliometric and thematic review)	Quantitative and qualitative	Quantitative
Data collection	Scopus Database	Annual reports of SPVs and parent companies; Factiva database (media reports)	Online questionnaire (Google Forms)
Analysis	Biblioshiny (R package) and NVivo software	Manual content analysis using disclosure checklist (FD/PD/ND) and IAS 37 environmental provisions	5-point rating scales and ranking measures, Descriptive statistic

2.2 Paper I: Systematic literature review

The first study employs a mixed-method SLR to synthesise prior research on transparency within PPPs projects. The review focuses on peer-reviewed journal articles published between 2010 and 2022 and indexed in the Scopus database. An SLR spanning at least a decade ensures comprehensive coverage of the literature (Rialp et al., 2005). A structured search strategy was implemented using combinations of keywords related to PPPs governance and transparency, including DBFMO contractual models (Bracci et al., 2019; Tallaki & Bracci, 2021). Following the initial search, records were screened based on language, publication type, subject area, and journal quality (Massaro et al., 2016; H. Wang et al., 2018). The final sample comprised 67 peer-reviewed studies that explicitly addressed transparency, disclosure, governance, or accountability within the PPPs context. Bibliometric analysis was conducted using the Biblioshiny package in R to identify publication trends and thematic clusters (Singh & Ravi, 2023), while qualitative thematic coding was performed using NVivo to extract dominant conceptual and empirical themes. This review provides an evidence-based assessment of how transparency has been conceptualised and operationalised in prior PPP research, identifying prevailing research gaps and methodological limitations that motivate the subsequent empirical analyses undertaken in this thesis.

2.3 Paper II: Archival content analysis

The second study adopts a longitudinal archival research design (Saunders et al., 2009) to examine voluntary financial disclosure practices and environmental provisions reported by SPVs and their parent companies involved in UK's DBFMO road projects. The study focuses on UK DBFMO road projects because road infrastructure has experienced substantial growth worldwide (Ahmad et al., 2020) and remains fundamental to supporting economic activity and enhancing social integration (Acerete et al., 2019). Furthermore, Highways England, procuring authority, manages 13 of the 32 UK PPPs/PFI road projects and accounts for 41% of the sector's capital value, making it a particularly relevant context for examining voluntary disclosure practices (HM Treasury and IPA, 2019). Annual reports published by those 13 SPVs and their parent companies were collected for the period 2004–2019. Manual content analysis (Krippendorff, 2022) was undertaken to evaluate the extent and nature of voluntary disclosures relating to financial reporting and environmental provisions. A disclosure checklist (see Table 3 and 4) was developed based on prior PPPs disclosure studies (Shaoul et al., 2010)and relevant accounting standards governing provisions for environmental liabilities (IAS 37) (International Accounting Standards, 2020). Each disclosure item was coded into one of three categories: full disclosure (FD), partial disclosure (PD) and non-disclosure (ND). To assess whether external scrutiny influences disclosure practices, an environmental criticism indicator was constructed using media reports retrieved from the Factiva database. The sampled SPVs were categorised according to the presence or absence of environmental criticism in news coverage, enabling comparison of disclosure practices between projects exposed to public scrutiny and those operating with limited media attention. Coding reliability was enhanced through independent coding and iterative comparison of results to ensure consistency in classification across reporting periods. This approach combines quantitative measurement of disclosure items with qualitative assessment of reporting content.

Table 3. Measuring the extent of financial disclosure: A classification of reporting
Source: Compiled by the author, adapted from (Shaoul et al., 2010)

Desirable disclosure items	**FD**	**PD**	**ND**
Operating cost	A breakdown of the cost	Only operating cost	ND
Availability payment	A breakdown of unitary charges	Total payment without breaking down	ND
Service element	A breakdown of unitary charges	Total payment without breaking down	ND
Performance deduction	Performance assessments, penalty points, payment deductions	Disclosed, but lack of complete information	ND
Finance cost	Detailed transactions with all related parties or finance cost account	Disclosed transactions with a few related parties, but not all	ND
The project's capital cost	A breakdown of initial and additional capital cost	Only capital cost	ND
Value of assets and liabilities	Provide detailed explanations and justifications for tangible and intangible assets	Disclosed as either tangible or intangible without detailed information	ND

Desirable disclosure items	FD	PD	ND
Contingencies	Possible contingencies and values were provided in detail	Just a short note for future liabilities without quantifiable information	ND
Ring-fencing	Reserved money for future maintenance services	Just a short note without a specified amount	ND
Related parties' transactions	Detailed transactions: service charges, inter companies' loans with all related parties under a project	Disclosed limited transactions without information about inter companies' transactions	ND
Cash flow statement	Cash flow statement	Available cash without the statement	ND

Table 4. Disclosure checklist for environmental provisions
Source: International Accounting Standards (2020,pp. A1492-1493)

Item 1	IAS 37: 84 (a)	the carrying amount at the beginning and end of the period
Item 2	IAS 37:84 (b)	additional provisions made in the period, including increases to existing provisions
Item 3	IAS 37: 84 (c)	amounts used (i.e. incurred and charged against the provision) during the period
Item 4	IAS 37: 84 (d)	unused amounts reversed during the period; and
Item 5	IAS 37: 84 (e)	the increase during the period in the discounted amount arising from the passage of time and the effect of any change in the discount rate

2.4 Paper III: Experts survey

The third study adopts a cross-sectional questionnaire-based survey (Saunders et al., 2009) to examine practitioner perceptions of voluntary disclosure practices within PPP-based SPVs and their controlling parent organisations. A structured online questionnaire was developed using Google Forms to capture expert views regarding the adequacy, relevance, and drivers of financial and non-financial disclosures, including environmental reporting. Fifteen survey questions were derived from the literature reviewed in Paper I (Phyu, 2026) and from the disclosure patterns identified in Paper II (Phyu & Demirag, 2026) to facilitate comparison between reported disclosure practices and stakeholder perceptions of transparency and accountability. The questionnaire consisted of five sections covering disclosure content, governance arrangements, stakeholder influence, and reporting constraints. A purposive sampling method (Lune & Berg, 2017) was employed to recruit participants with professional experience in PPPs project delivery, finance, governance, or advisory roles. This approach was chosen to obtain expert-informed insights from individuals actively involved in PPPs operations and decision-making processes. Invitations were distributed to members of a PPP-focused LinkedIn network, and data collection was conducted between May and July 2024. From this group, 500 professionals directly involved in PPPs operations were identified and invited to participate in the survey to ensure an adequate response rate. A total of 50 responses were received, representing 10% of the targeted professionals. Responses were recorded using five-point rating scales and ranking measures, enabling descriptive statistical analysis of perceived disclosure practices and influencing factors. Participation in the survey was voluntary and anonymous, and no identifiable personal data were collected.

2.5 Integration of the three studies

Taken together, the three studies provide a sequential and multi-level examination of transparency and voluntary disclosure practices in PPPs governance. The systematic review establishes the conceptual foundations and identifies research gaps, the archival analysis provides empirical evidence of disclosure behaviour at the organisational level, and the expert survey offers insight into institutional perceptions of reporting adequacy and accountability. This integrated research design facilitates a comprehensive understanding of how voluntary disclosure practices are constructed, enacted, and interpreted within SPVs and their parent companies involved in PPPs projects.

3. Findings

Table 5 synthesises the key insights from the three interrelated studies included in this thesis. Overall, the findings show that transparency in PPPs is shaped by governance structures, organisational incentives, and stakeholder influence. Paper I develops a conceptual framework linking governance, accountability, transparency, stakeholder participation, risk management, and trust. Paper II provides empirical evidence of selective voluntary disclosure practices among SPVs and their parent companies. Paper III complements these findings by highlighting PPP experts' perspectives on disclosure practices and the growing importance of environmental and sustainability-related reporting.

Table 5. Overview of the findings
Source: Compiled by the author

Study	Analytical focus	Key findings
Paper I	Transparency in PPPs	Identifies six interrelated themes: governance, transparency, accountability, stakeholder participation, risk management, and trust which collectively shape PPPs transparency and influence project legitimacy, performance, and public confidence
Paper II	Voluntary financial disclosure by SPVs and parent companies	Reveals limited voluntary financial disclosure among SPVs and parent companies, including omission of contingencies, related-party transactions, and environmental provisions, with disclosure practices influenced by profit-oriented incentives and environmental criticism – consistent with BPET
Paper III	PPP experts' perspectives on financial and non-financial disclosure	Highlights the strong influence of parent companies and regulators on SPVs' reporting practices, alongside increasing stakeholder demand for transparent financial, environmental, and sustainability-related disclosures – supporting BPET's emphasis on stakeholder power relations and institutional influence in shaping disclosure behaviour

3.1 Exploring the interdependencies of transparency: Conceptual framework

Paper I, titled "**A systematic review of transparency in Public-Private Partnerships: Current trends and future research directions**," examines how transparency in PPPs has evolved and interacts with key influencing factors. Unlike previous literature reviews that examined PPPs from broader public administration, governance, risk management, or value-for-money perspectives, Paper I provides the first systematic review dedicated specifically to transparency in PPPs/PFI research. The review addresses a research gap by systematically reviewing Scopus-indexed literature published between 2010 and 2022, analyzing how transparency has been conceptualised, theorised, and empirically investigated. The analysis identifies six interrelated themes such as governance, transparency, accountability, risk management, stakeholder participation, and trust, which together form the basis of a conceptual framework (see Figure 4). Each theme is explored in detail, drawing on empirical evidence and international case examples to illustrate their individual and collective contributions to effective PPPs governance.

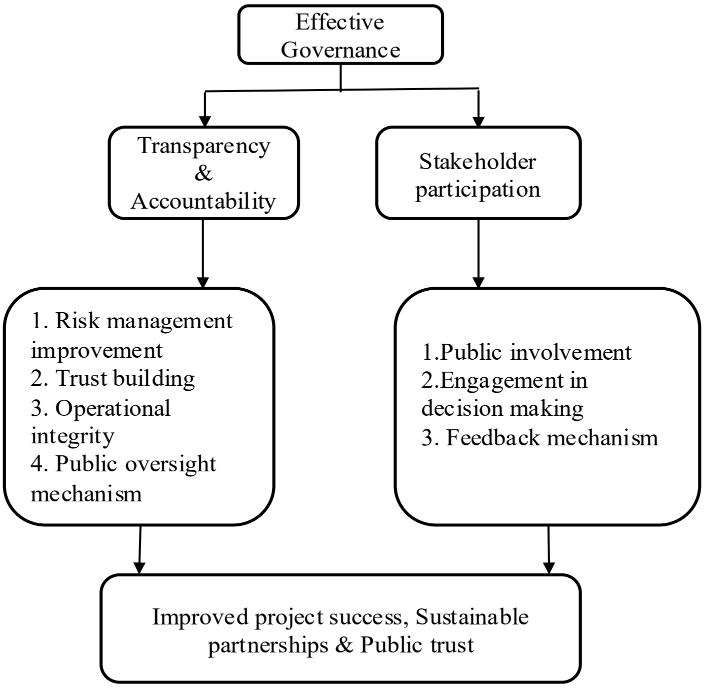

Figure 4. Conceptual framework of transparency in PPPs research
Source: Compiled by the author

Governance emerges as the foundational theme, enabling transparency and accountability through institutional structures (Albu & Flyverbom, 2019; Darmawati et al., 2024; Peng et al., 2024). Strong governance ensures alignment with public objectives, institutional oversight, and effective implementation (Greve, 2015; Tallaki & Bracci, 2021). It safeguards public interests, maintains legal compliance, and fosters trust among stakeholders (Hodge et al., 2017). Conversely, weak governance can result in inefficiencies, corruption, and financial mismanagement (Macário et al., 2015). Government control and regulatory oversight are therefore crucial to minimize information asymmetry and hold both public and private actors accountable (Shaoul et al., 2012; Xiong et al., 2022). However, governance practices vary widely across regions: while the UK and Australia adopt structured, policy-driven approaches, countries such as China and India face challenges of fragmented governance, centralized control, and regulatory inconsistency (T. Liu et al., 2016; Xiong et al., 2019).

Transparency and accountability function as complementary mechanisms that ensure access to information, operational oversight, and public legitimacy. Transparency clarifies processes, reduces information gaps, and aligns project decisions with public expectations. It supports effective risk management, operational integrity, and stakeholder trust (Fischer et al., 2010; Valverde & Moore, 2019). International evidence shows that higher transparency can enhance PPPs performance, as demonstrated in North American infrastructure leases and Chinese WTE projects (Ashton et al., 2016; Wan et al., 2015). Nevertheless, excessive transparency may lead to administrative delays, discourage private participation, and increase transaction costs

(Chileshe et al., 2022; Zhao et al., 2022). Thus, striking a balance between openness and efficiency remains essential. Accountability reinforces transparency by ensuring that both public and private actors are answerable for their roles in project delivery. Effective accountability mechanisms help prevent inefficiencies and misuse of resources (Agyenim-Boateng et al., 2017; Stafford & Stapleton, 2022). Yet, many PPPs projects, particularly those involving private finance, continue to face criticism for opaque practices and limited public accountability (Heald & Georgiou, 2011; Shaoul et al., 2010).These three elements collectively support risk management, stakeholder participation, and trust-building.

Inclusive stakeholder engagement strengthens transparency and accountability by integrating diverse interests into project design and implementation. Ongoing consultation and communication with affected groups enhance legitimacy, reduce conflict, and improve project outcomes (T. Liu et al., 2016; Osei-Kyei et al., 2019; Reeves, 2013; Y. Wang & Gao, 2020). Finally, trust serves both as an outcome and a reinforcing mechanism of effective governance. High levels of trust facilitate collaboration, reduce opportunism, and promote long-term partnerships (Liu, 2024; Wong et al., 2015). Transparent governance and consistent accountability are essential to nurturing and sustaining such trust (Abdullah & Khadaroo, 2020; Xiong et al., 2019). Together, these six themes form an integrated conceptual framework for understanding transparency in PPPs.

3.2 Unveiling financial transparency: Special purpose vehicles and parent companies

Paper II, titled "**Voluntary disclosure and transparency of Special Purpose Vehicles in Public-Private Partnerships**", employs the BPET framework to investigate the extent of voluntary financial disclosures made by thirteen SPVs and eight parent companies within the UK's DBFMO and toll road projects.

The following figure (Figure 5) illustrates how the study's approach addresses the research issues.

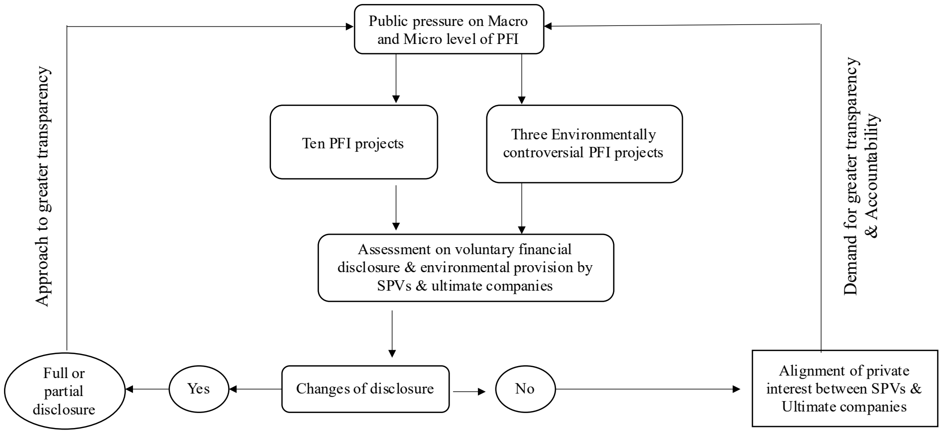

Figure 5. Analysing voluntary financial disclosure and environmental provisions by SPVs and parent companies
Source: Compiled by the author, adapted from (Alkaraan & Floyd, 2020; Greve & Hodge, 2011; Shaoul et al., 2010)

Through BPET, the study interprets voluntary disclosure as a reflection of societal expectations and corporate responses to public demand for greater accountability (Gray et al., 1996) and the paper mainly focuses on addressing three issues:

a) Investigating how much the entities (organizations or companies) are altering their voluntary financial disclosure practices to enhance transparency and accountability.
b) Exploring whether SPVs facing environmental concerns related to their projects share additional financial information voluntarily.
c) Evaluating the environmental provisions of SPVs and their controlling companies based on International Accounting Standard 37 (IAS 37).

In addressing the first issue, the findings demonstrate that none of the sampled SPVs disclosed most desirable information during the analysis period. While SPVs consistently report the values of their assets and liabilities as part of full disclosures, partial disclosure that lacks the provision of detailed explanations and justifications for tangible and intangible assets, falls short in terms of transparency. This partial disclosure inadequately reports transactions involving finance debtors, creditors, and the specific terms governing the repayment of loans to related parties. Interestingly, a significant majority of the examined SPVs, representing 90% of the total sample (equivalent to one out of thirteen), chose to limit their disclosure regarding reserved funds intended for future maintenance and cash flow management. This selective disclosure approach presents a substantial challenge when establishing financial accountability, particularly in the context of evaluating PPP project’s viability. Furthermore, an important insight emerges from the widespread omission of contingencies from the disclosures of most SPVs. This absence of transparency surrounding contingencies complicates the process of assessing potential future liability risks. The absence of information about contingencies hampers the ability to effectively assess the level of risk associated with forthcoming developments and unforeseen circumstances. In essence, these findings collectively underscore the complex nature of transparency and disclosure within the realm of SPVs during the analysis period.

Regarding the second issue, the findings reveal a clear pattern in which the SPVs that faced criticism exhibit a lower frequency of voluntary financial disclosures compared to those SPVs that were not criticized. Notably, both categories of SPVs display low rates of full disclosure practices. Among the criticized SPVs, only one out of the three fully reported the detailed breakdown of operating costs and contingencies. However, it is important to note that these same criticized SPVs did not engage in full or partial disclosure concerning key aspects such as the availability element, service element, ring-fencing practices, and cash flow statements. In contrast, among the non-criticized SPVs, a significant proportion, specifically, 30% of the total (equivalent to three out of ten), fully disclosed the values of their assets and liabilities. These findings suggest that instances of environmental criticism are likely to have a negative impact on the willingness of the sampled SPVs to engage in voluntary financial disclosure practices. This correlation indicates that environmental criticism has the potential to discourage the extent of transparency in financial disclosures among the studied SPVs.

In addressing the last concern, the findings highlight that all ultimate controlling companies of the SPVs reported consolidated amounts of financial disclosures within their group accounts. Notably, it has been observed that neither publicly listed nor privately held parent companies included the reporting of potential environmental risks and corresponding liabilities. This omission could potentially result in a reduced incentive to disclose voluntary financial information and environmental provisions within their associated SPVs.

Overall, the findings of the Paper II align with BPET, which emphasizes organizations' right to pursue their interests. In the context of profit-oriented PPPs and its SPVs, there's a tendency for these entities to prioritize their goals over public accountability, leading to limited voluntary disclosure. This profit-driven approach might hinder the sharing of information about potential financial and environmental risks associated with projects, as entities opt for minimal mandatory disclosure. Additionally, when government and private entities share the same objectives, public interests can be marginalized, neglecting the societal impact of project activities. In such cases, both the UK government and parent companies of SPVs might prioritize their interests over public value, potentially diminishing transparency.

3.3 Examining stakeholders' perspectives on PPPs disclosure

While prior research has mostly examined public perceptions of PPPs (Boyer & Van Slyke, 2019; Lee & Kim, 2024; Yang et al., 2024; Zwalf, 2025), little is known about PPP experts' perspectives on voluntary financial and non-financial disclosure practices within UK SPVs and their parent companies. Addressing this gap, the present study explores experts' views on SPV transparency and accountability to identify which accounting information is most relevant in practice (Caperchione et al., 2017).

Building on the document-based evidence presented by a study (Phyu & Demirag, 2026), this study further explores the relationship between actual disclosure practices and PPP experts' expectations regarding financial and non-financial reporting. By comparing what SPVs disclose with what experts perceive should be disclosed, the study provides a more comprehensive understanding of transparency and accountability within PPPs. Specifically, this study focuses on four main issues to deepen the understanding of SPVs' transparency and accountability practices within the UK's PPPs through a questionnaire study via PPP Research Group who involved experts from public and private sectors, it examines: (a) the key financial disclosure practices adopted by SPVs, (b) the influence of different stakeholder groups on financial and non-financial reporting, (c) PPP experts' perceptions of the extent and credibility of SPVs' voluntary disclosures and accountability practices, and (d) how both SPVs and their parent companies address environmental and sustainability-related reporting.

The findings reveal that transparent financial reporting in UK SPVs is important for meeting the needs of investors, regulators, and the public, enabling informed decision-making. Parent companies exert strong influence over SPVs' disclosure practices, while the role of public opinion and media remains limited. Transparency, accuracy, and risk management are key priorities in SPVs' reporting, emphasizing the importance of comprehensive financial and audit statements (Lopes et al., 2023). High ratings for voluntary disclosures align with evidence that greater transparency fosters sustainable practices (Abhayawansa et al., 2021; Ríos et al., 2024). Stakeholders increasingly value non-financial disclosures on environmental and social impacts, consistent with global ESG trends and the upcoming CSRD in 2025. Most respondents emphasized SPVs' accountability for environmental issues, and lenders are now integrating environmental risks into financial decisions. Board characteristics of parent companies are likely to influence SPVs' sustainability reporting (see, similarly, the study by (Casciello et al., 2024). Figure 6 illustrates a BPET-based explanation of how power relations and organisational control contribute to the transparency and accountability gap in PPPs.

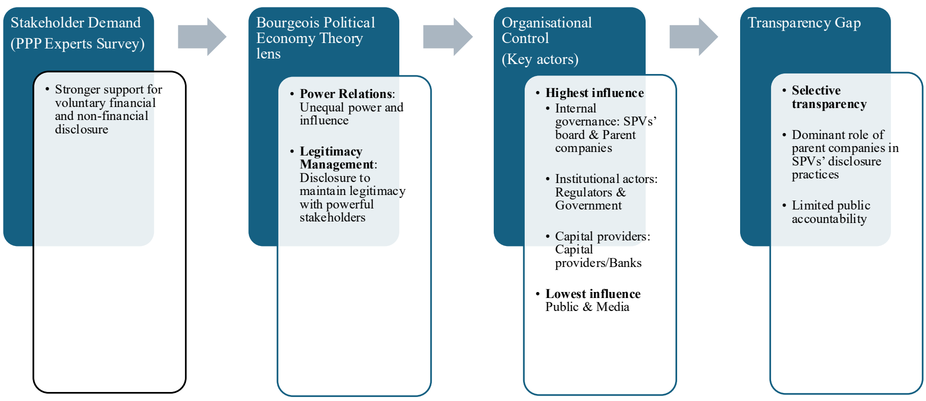

Figure 6. A BPET framework of transparency and accountability in PPPs
Source: Compiled by the author

From a BPET perspective, these findings suggest that disclosure practices within PPPs are shaped by unequal power relations among stakeholder groups rather than by a purely neutral commitment to transparency. BPET argues that accounting disclosures are embedded within broader political, economic, and institutional structures that reflect the interests of dominant actors (Gray et al., 1995; Williams, 1999). The strong influence of parent companies, regulators, lenders, and investors identified in this thesis, together with the limited influence of the public and media, suggests that access to information remains largely controlled by actors possessing economic resources and decision-making authority. Consistent with previous PPPs research (Agyenim-Boateng et al., 2017; Stafford & Stapleton, 2022), transparency appears to function as a negotiated outcome shaped by governance arrangements and organisational interests rather than by public accountability demands alone. Align with BPET, voluntary disclosure may therefore serve not only as a mechanism for informing stakeholders but also as a strategy for maintaining legitimacy and managing relationships with powerful stakeholders while limiting exposure to reputational, political, or commercial risks.

Overall, respondents called for stronger financial and non-financial disclosures, though influence remains concentrated among parent firms and regulators. This selective transparency reflects organisational interests rather than full accountability, echoing earlier PPP's LIFT schemes that exposed structural opacity and weak governance (Agyenim-Boateng et al., 2017). Without enforceable standards, PPPs risk reproducing governance deficits. Strengthening sustainability disclosures and aligning with ESG frameworks such as the CSRD are essential to improve transparency and accountability.

4. Discussion

This doctoral thesis has explored how transparency, accountability, and disclosure practices operate within the complex networks of PPPs, focusing particularly on SPVs and their parent companies. Drawing on BPET, the thesis provides a theoretically informed and empirically grounded account of how institutional power relations, economic incentives, and governance mechanisms shape voluntary disclosure practices and influence transparency and accountability outcomes. Through three interrelated studies, namely a systematic review of transparency research in PPPs, an empirical investigation of SPVs' financial and environmental disclosures, and a questionnaire study exploring PPP experts' perceptions, the thesis develops a comprehensive understanding of the political and institutional complexities underlying transparency in hybrid governance arrangements of PPPs.

This theoretical synthesis bridges the conceptual, organisational, and stakeholder levels of the thesis by applying BPET to explain the persistent "transparency gap" in PPPs context. At the conceptual level (Paper I), transparency is established as a foundational pillar of governance that is theoretically intended to foster trust and public accountability. However, when filtered through the organisational level (Paper II) using the BPET lens, it becomes evident that transparency is often managed as a strategic tool for legitimacy seeking rather than a neutral reporting exercise. This is demonstrated by the "institutional shielding" practiced by SPVs' parent companies, who use SPVs to isolate financial and environmental risks, often responding to public criticism with increased opacity to protect private interests. Finally, at the stakeholder level (Paper III), the expert survey results confirm that while there is a strong consensus that the public should benefit from transparency, their actual influence remains marginal. This discrepancy is explained by BPET because parent companies and lenders provide the essential capital which may design to satisfy their information needs first, effectively excluding the public from the core accountability chain. Collectively, these three levels reveal that transparency in PPPs is not merely a technical shortfall but a politically negotiated outcome where selective disclosure serves to maintain prevailing economic structures and protect the self-interests of primary capital providers.

The findings show that although PPPs are designed to enhance collaboration, efficiency, and public value, transparency and disclosure practices often remain misaligned with these ambitions. Across the evidence, disclosure is frequently selective, incomplete, and shaped more by institutional power relations than by public accountability needs. Essential financial and governance-related information such as project-specific risks, contractual obligations, contingent liabilities, reserve funds, and related-party transactions is commonly underreported, thereby limiting meaningful scrutiny and weakening the capacity of stakeholders to assess value-for-money, long-term liabilities, and performance. Rather than prompting openness, public criticism may intensify defensive disclosure behaviour, resulting in greater reporting opacity in projects facing environmental criticisms. A key structural explanation is the dominant role of parent companies and regulatory arrangements, which often centralise reporting decisions and enable the aggregation of subsidiary information in consolidated statements, effectively obscuring SPVs-level accountability and diffusing responsibility for project risks and impacts. These findings collectively highlight persistent transparency and accountability challenges within PPPs governance and provide a foundation for examining how the results relate to, extend, and challenge existing literature.

4.1 Findings in relation to prior literature

The findings of this thesis broadly support and extend the existing literature on transparency and accountability in PPPs. The systematic literature review (Phyu, 2026) identified governance, transparency, accountability, stakeholder participation, trust, and risk management as the dominant themes in PPPs transparency research. It further revealed that concerns regarding limited disclosure, weak accountability mechanisms, insufficient stakeholder engagement, and tensions between public accountability and commercial confidentiality have remained persistent across different PPP contexts. Moreover, most empirical studies lacked a strong theoretical foundation and focused primarily on public-sector transparency rather than private-sector disclosure practices.

The findings of Paper II (Phyu & Demirag, 2026) provide empirical support for these concerns. Although some improvements in financial reporting were observed compared with earlier studies, SPVs and their parent companies continued to disclose only a limited range of voluntary financial and environmental information. In particular, cash flow information, contingent liabilities, performance deductions, and environmental provisions remained largely absent from annual reports. These findings are consistent with earlier studies that reported significant deficiencies in transparency and accountability within PPP reporting practices (Acerete et al., 2019; Shaoul et al., 2010, 2012; Stafford & Stapleton, 2017, 2022; Viana et al., 2023). They also support previous concerns that complex PPPs governance arrangements and hybrid organisational structures may reduce accountability and limit public access to meaningful information (Agyenim-Boateng et al., 2017; Grossi et al., 2022).

The findings also extend prior literature by demonstrating that environmental criticism does not necessarily result in greater transparency. Contrary to expectations that public scrutiny increases disclosure, environmentally criticised SPVs disclosed less financial information than non-criticised SPVs. This finding contrasts with arguments suggesting that public pressure encourages organisations to increase transparency and legitimacy through disclosure (Cho & Patten, 2007; Guthrie & Parker, 1989). Instead, it supports BPET (Gray et al., 1995; Gray, 1988; Williams, 1999), which suggests that organisations balance societal expectations against economic and political interests and may strategically limit disclosure when information could threaten organisational legitimacy or financial interests.

Paper III further advances the literature by providing insight into why transparency gaps persist. Previous studies have emphasised the importance of stakeholder participation, citizen engagement, and governance mechanisms in improving transparency and accountability in PPPs (Liu, 2024; Musawa et al., 2017; Sheppard & Beck, 2022a; Wang & Gao, 2020). However, the findings show that disclosure practices are perceived to be primarily shaped by parent companies and internal governance arrangements, while public and media influence remain relatively weak. This finding supports previous research highlighting the dominant role of powerful stakeholders and resource providers in shaping voluntary disclosure decisions (Nyahas et al., 2018; Qu et al., 2013; Ramananda & Atahau, 2020). It also provides an explanation for why greater public demand for transparency has not necessarily translated into greater disclosure in practice. The findings regarding environmental accountability provide an additional contribution. Although respondents strongly supported environmental disclosure and accountability, responsibility for such reporting was often perceived to reside with parent companies rather than SPVs. This observation aligns with recent developments in sustainability reporting, including the CSRD and ESRS, which seek to strengthen environmental transparency and accountability (European Commission, 2024). Nevertheless, the findings suggest that existing reporting frameworks may still be insufficient to ensure comprehensive environmental disclosure within PPP structures.

Taken together, the three papers contribute to the PPPs transparency literature by moving beyond identifying transparency deficiencies to explaining the mechanisms underlying them. While prior research has largely conceptualised transparency as a desirable governance objective, this thesis demonstrates that disclosure practices are shaped by the interaction of governance structures, stakeholder influence, organisational incentives, and parent-company control. Consequently, achieving greater transparency in PPPs may require not only stronger reporting standards and regulatory oversight but also governance reforms that address the underlying organisational incentives that influence disclosure behaviour.

4.2 Broader implications for transparency in PPPs

At a broader level, this thesis demonstrates that transparency in PPPs is not merely an administrative or technical requirement, but a governance mechanism embedded within broader relationships of trust, legitimacy, risk management, and stakeholder participation. The findings suggest that transparency operates within a complex organisational structure where competing public and private interests shape disclosure behaviour. While transparency remains central to effective PPPs governance, increasing disclosure alone may not automatically enhance accountability. Instead, transparency must be accompanied by meaningful reporting, effective oversight mechanisms, and stakeholder access to understandable and reliable information. Consequently, this thesis argues for a more context-sensitive approach to transparency that balances accountability objectives with the practical realities of PPPs governance. In doing so, it advances understanding of transparency as both a governance tool and a strategic organisational response to public pressures within PPPs.

More broadly, the findings suggest that transparency challenges identified in PPPs may also be relevant to other hybrid organisational forms where public projects are pursued through private-sector delivery mechanisms. Similar tensions between accountability, commercial confidentiality, and organisational incentives have been observed in state-owned enterprises, outsourced public services, and other types of public-private collaborations. Consequently, the governance challenges identified in this thesis contribute to wider debates concerning how transparency can be achieved in increasingly complex and networked forms of public governance.

4.3 Theoretical and practical contributions

Drawing on BPET, this thesis demonstrates that management may not perceive an obligation to disclose environmental and social information when such information is considered insignificant to investors. Similarly, parent companies of SPVs may not regard desirable financial and environmental disclosures as important inputs for investors or banks in their decision-making processes. This perception reduces both external and internal pressures for comprehensive disclosure. Consequently, this suggests that factors beyond public interest, particularly those shaped by prevailing political and economic priorities, may exert a more substantial influence on disclosure practices in SPVs and their parent companies.

The observed practices of limited disclosure in SPVs and their parent companies can be further interpreted through BPET, which provides a lens for understanding why transparency in PPPs frequently emerges as selective and strategic rather than accountability driven. Such limited disclosure and selective transparency reflect broader capitalist dynamics, wherein private sector actors prioritize capital accumulation while externalizing social and environmental risks. Parent companies of SPVs retain control over financial flows and the framing of narratives, while simultaneously shifting liabilities to their subsidiaries, SPVs, thereby diffusing responsibility and obscuring accountability. These practices are consistent with the theoretical assumption that hybrid governance structures, although presented as collaborative arrangements, often reinforce rather than mitigate asymmetries between public and private interests. By linking BPET to contemporary debates in public management and accounting, this thesis advances the conceptual understanding of how transparency and accountability operate within the complex governance systems of PPPs and their associated companies.

Moreover, this thesis makes several important contributions to the literature on voluntary disclosure practices of SPVs and their parent companies within PPPs. Building on and extending the theoretical insights generated in the previous study, it presents the first empirical investigation of PPP experts' perspectives on voluntary disclosure, thereby addressing a significant gap in the literature and providing a valuable foundation for future research across diverse regulatory environments. In addition, the study offers practical insights into the factors shaping transparency and accountability, effectively bridging the divide between theoretical discourse and real-world implementation challenges. The findings further reveal the strong influence exerted by parent companies on SPVs' reporting practices, underscoring the necessity for standardized reporting frameworks and robust internal audit mechanisms. Furthermore, the study highlights the diversity of PPP experts' expectations, particularly the increasing demand for non-financial disclosures related to environmental and social dimensions, aligning with the broader global emphasis on ESG considerations.

From a practical and policy perspective, this thesis highlights the need for more rigorous and harmonized disclosure regulations for SPVs and their parent companies engaged in public infrastructure projects. Policymakers should consider the development of standardized reporting requirements aligned with international frameworks such as IFRS, SASB, and CSRD to ensure consistent, transparent, and comparable disclosure of both financial and environmental information. Enhancing independent audit mechanisms, mandating joint signoffs between SPVs and their parent companies, and incorporating periodic third-party reviews would further strengthen credibility and public trust. In addition, aligning these regulatory reforms with the Sustainable Development Goals, particularly SDG 9 (resilient infrastructure), SDG 16 (institutional trust), and SDG 17 (partnerships), would support the role of PPPs in delivering sustainable and socially accountable infrastructure. These recommendations collectively emphasize that transparency should be embedded within robust governance frameworks rather than treated as a voluntary or symbolic exercise.

In addition to its theoretical and practical contributions, this thesis makes a methodological contribution by integrating systematic review, content analysis, and survey-based approaches to examine transparency from multiple perspectives. This mixed-methods design combines empirical rigor with theoretical depth, enabling triangulation across multiple levels of analysis and strengthening the validity of the findings. Despite these contributions, several limitations should be acknowledged when interpreting the findings.

4.4 Limitations and future research

The findings of this thesis should be interpreted in light of several limitations. The systematic literature review was limited to English-language articles indexed in Scopus, potentially excluding relevant studies published in other databases and languages. The empirical study focused on a relatively limited sample of UK road-sector SPVs and their parent companies, while the questionnaire study was conducted to PPP experts operating primarily within the UK context. In addition, both empirical studies relied on publicly available information and stakeholder perceptions, constraining direct observation of internal governance processes and disclosure decision-making. Consequently, the findings may not be fully generalisable to other PPPs sectors, countries, or institutional environments. Moreover, the studies were conducted in different time periods and regulatory contexts, which may affect the comparability of findings, particularly given the growing emphasis on ESG reporting and the introduction of the CSRD.

Future research could employ longitudinal and comparative designs to examine how evolving regulatory frameworks, including the CSRD and ESRS, influence disclosure practices across different institutional and cultural contexts. Comparative studies involving multiple PPPs sectors and countries would further enhance understanding of how governance arrangements shape transparency and accountability practices. In addition, qualitative interviews and case studies involving auditors, regulators, lenders, parent-company executives, SPVs' managers, and public-sector contracting authorities could provide deeper insights into the organisational incentives, power relations, and decision-making processes underlying disclosure behaviour. Given the limited use of theory identified in the PPPs transparency literature, future studies may also benefit from applying and comparing alternative theoretical perspectives, such as institutional theory, stakeholder theory, and legitimacy theory, to further explain transparency and accountability outcomes in PPP governance.

5. Conclusion

In conclusion, this thesis advances theoretical, empirical, and policy knowledge on transparency and accountability in PPPs. It demonstrates that while transparency is widely promoted as a cornerstone of good governance, its practice remains constrained by selective disclosure, weak oversight, and entrenched power asymmetries between public and private actors. The research highlights that transparency alone cannot guarantee accountability unless it is institutionalized within coherent governance frameworks that align private incentives with public interest. By integrating political economy perspectives with contemporary debates on sustainability reporting and public accountability, this work offers a critical framework for re-evaluating how transparency can be redefined and operationalized in hybrid governance systems. Ensuring that PPPs genuinely serve the public interest requires more than regulatory compliance—it demands an ethical commitment to openness, fairness, and social responsibility that transcends commercial imperatives and restores public trust in the governance of infrastructure partnerships.

In addition, this thesis contributes to both theory and practice by bridging theoretical reflection with empirical evidence on transparency and accountability in PPPs. It advances the application of BPET within public management research, introduces an integrated framework linking financial and non-financial disclosure dynamics, and highlights the role of institutional and organisational power in shaping governance outcomes. Together, the three studies form a cohesive body of work that enhances understanding of how hybrid organizations balance private interests with public responsibilities, offering insights that are relevant not only to the UK context but also to global efforts toward more transparent, equitable, and sustainable infrastructure governance.

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Abstract

This doctoral thesis investigates transparency and accountability within Public–Private Partnerships (PPPs), focusing on special purpose vehicles (SPVs) and their parent companies in the United Kingdom's PPPs projects. Despite the global promotion of PPPs as a mechanism for achieving the sustainable development goals (SDGs), persistent concerns regarding governance complexity, off-balance-sheet financing, and weak public accountability have intensified debates over financial and non-financial disclosure. The forthcoming corporate sustainability reporting directive (CSRD) and the European sustainability reporting standards (ESRS) further underline the growing demand for corporate transparency and sustainability reporting in infrastructure governance.

Drawing on Bourgeois Political Economy Theory (BPET), the thesis conceptualizes disclosure as a politically negotiated process shaped by competing institutional and economic interests. Through three interrelated studies, it provides both theoretical and empirical insights into how transparency operates within hybrid public–private governance structures. First, it offers the first systematic review of global PPPs transparency research (2010–2022), synthesizing 67 peer-reviewed studies to develop a conceptual framework linking governance, accountability, stakeholder participation, risk management, and trust. The review identifies substantial geographic and theoretical gaps, highlighting the need for more interdisciplinary and comparative research. Second, the thesis conducts a content analysis of SPVs, and their parent companies involved in UK road PPPs (2004–2019). The findings reveal limited voluntary financial disclosure, selective reporting of environmental provisions, and evidence that transparency outcomes are strongly shaped by parent-company control and reputational concerns. Third, the thesis extends this analysis through a questionnaire survey of PPP experts from both the public and private sectors, offering original insights into perceived determinants, enablers, and barriers to voluntary disclosure through BPET lens. The findings show that although financial and environmental disclosures are increasingly valued, reporting practices remain driven by institutional power asymmetries between SPVs and their parent companies rather than by public interest.

Collectively, the three studies advance theoretical understanding of how corporate strategies, governance arrangements, and societal pressures intersect to shape transparency and accountability in PPPs. The thesis argues that opacity and selective disclosure function as strategic tools for managing reputational and financial risks while diffusing responsibility. It contributes to the accounting and public money management literature by extending BPET to hybrid governance contexts and by integrating empirical, systematic, and perceptual analyses of disclosure. Policy recommendations include standardized and mandatory reporting frameworks aligned with international standards such as IFRS, SASB, and CSRD, stronger independent audits, and transparent public oversight mechanisms. Ultimately, this research shows that effective PPP transparency requires not only regulatory compliance but also an ethical commitment to openness, fairness, and social responsibility—conditions essential for restoring public trust and ensuring that PPPs deliver sustainable and accountable infrastructure outcomes.

Lühikokkuvõte

Käesolev doktoritöö uurib läbipaistvust ja vastutust avaliku ja erasektori partnerlustes (Public–Private Partnerships, PPP), keskendudes eriotstarbelistele projektiettevõtetele (Special Purpose Vehicles, SPVs) ja nende emaettevõtetele Ühendkuningriigi PPP-projektides. Kuigi PPP-sid on ülemaailmselt edendatud kui olulist mehhanismi ÜRO säästva arengu eesmärkide (SDG) saavutamiseks, on püsivad probleemid, mis on seotud keerukate juhtimisstruktuuride, bilansivälise rahastamise ning nõrga avaliku vastutusega, suurendanud arutelu finants- ja mittefinantsaruandluse läbipaistvuse üle. Euroopa Liidu äriühingute kestlikkusaruandluse direktiiv (Corporate Sustainability Reporting Directive, CSRD) ning Euroopa kestlikkusaruandluse standardid (European Sustainability Reporting Standards, ESRS) rõhutavad veelgi kasvavat vajadust ettevõtete läbipaistvuse ja kestlikkusaruandluse järele taristu juhtimisel.

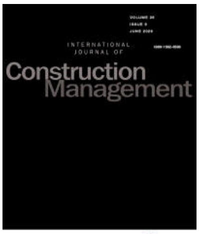
Tuginedes kodanlikule poliitökonoomia teooriale (Bourgeois Political Economy Theory, BPET), käsitleb doktoritöö avalikustamist poliitiliselt kujundatud protsessina, mida mõjutavad konkureerivad institutsionaalsed ja majanduslikud huvid. Kolme omavahel seotud uuringu kaudu pakub töö nii teoreetilisi kui ka empiirilisi teadmisi sellest, kuidas läbipaistvus toimib avaliku ja erasektori hübriidsetes juhtimisstruktuurides. Esiteks esitatakse esimene süstemaatiline ülevaade PPP-de läbipaistvust käsitlevast teaduskirjandusest aastatel 2010–2022, sünteesides 67 eelretsenseeritud teadusartiklit ning töötades välja kontseptuaalse raamistiku, mis seob omavahel juhtimise, vastutuse, sidusrühmade kaasamise, riskijuhtimise ja usalduse. Ülevaade toob esile märkimisväärsed geograafilised ja teoreetilised uurimislüngad ning rõhutab vajadust interdistsiplinaarsema ja võrdleva uurimistöö järele. Teiseks viiakse doktoritöös läbi Ühendkuningriigi maantee-PPP projektides osalevate SPV-de ja nende emaettevõtete sisuanalüüs aastate 2004–2019 aruannete põhjal. Tulemused näitavad vabatahtliku finantsaruandluse piiratud ulatust, keskkonnaalaste eraldiste valikulist avalikustamist ning tõendeid selle kohta, et läbipaistvust mõjutavad tugevalt emaettevõtete kontroll ja mainekujundusega seotud kaalutlused. Kolmandaks laiendatakse analüüsi avaliku ja erasektori PPP-ekspertide küsitlusega, mis pakub uusi teadmisi vabatahtliku avalikustamise tegurite, soodustavate asjaolude ja takistuste kohta BPET vaatenurgast. Tulemused näitavad, et kuigi finants- ja keskkonnaalaseid avalikustamisi peetakse üha olulisemaks, kujundavad aruandlustavasid eelkõige institutsionaalsed võimusuhted SPV-de ja nende emaettevõtete vahel, mitte avalik huvi.

Kokkuvõttes süvendavad kõik kolm uuringut teoreetilist arusaama sellest, kuidas ettevõtete strateegiad, juhtimiskorraldus ja ühiskondlik surve kujundavad läbipaistvust ja vastutust PPP-des. Doktoritöö väidab, et läbipaistmatuse ja valikulise avalikustamise eesmärk on strateegiliselt juhtida maine- ja finantsriske ning hajutada vastutust. Töö annab panuse arvestuse ja avaliku sektori finantsjuhtimise teaduskirjandusse, laiendades BPET rakendamist hübriidsete juhtimismudelite kontekstis ning ühendades empiirilise, süstemaatilise ja tajupõhise analüüsi avalikustamistavade uurimisel. Poliitikasoovitused hõlmavad standardiseeritud ja kohustuslike aruandlusraamistike väljatöötamist kooskõlas rahvusvaheliste standarditega, nagu IFRS, SASB ja CSRD, sõltumatu auditi tugevdamist ning läbipaistvate avaliku järelevalve mehhanismide rakendamist. Lõppkokkuvõttes näitab uurimus, et tõhus läbipaistvus PPP-des eeldab lisaks regulatiivsete nõuete täitmisele ka eetilist pühendumust avatusele, õiglusele ja sotsiaalsele vastutusele – tingimustele, mis on hädavajalikud avalikkuse usalduse taastamiseks ning selle tagamiseks, et PPP-projektid saavutaksid kestlikud ja vastutustundlikud taristutulemused.

Appendix I

Publication I

Phyu, H.T. (2026). A systematic review of transparency in Public-Private Partnerships: Current trends and future research directions. *International Journal of Construction Management*, 26(9), 1905-1924, https://doi.org/10.1080/15623599.2025.2568105



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A systematic review of transparency in public-private partnerships: current trends and future research directions

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ABSTRACT

Despite increasing public demand for greater transparency to enhance accountability in Public-Private Partnerships (PPP) and Private Finance Initiative (PFI) projects, significant knowledge gaps remain regarding efforts to improve transparency, its evolution, and its interaction with other influencing factors. This study aims to address these gaps through a comprehensive literature review, identifying current trends, emerging themes, and theoretical and methodological gaps in PPP/PFI research. A systematic review of 67 articles (2010–2022) was conducted using the Scopus database, with analysis conducted *via* NVivo and Biblioshiny. The author/s define six key themes and propose a conceptual framework that highlights the interconnected nature of governance, transparency, accountability, and stakeholder participation and risk, demonstrating how these elements collectively drive project success and build long-term stakeholder trust in PPP. This is the first review to offer a comprehensive overview of research themes on transparency in PPPs. It identifies prevalent trends in transparency while highlighting underexplored areas, topics, theories, and research methods. The review provides a roadmap for future research and theoretical development, as well as practical guidance for policymakers, practitioners, and researchers aiming to enhance transparency and accountability in PPP/PFI governance.

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KEYWORDS
Transparency; accountability; governance; public-private partnerships; private finance initiative; literature review

Introduction

Over the past 40 years, Public-Private Partnerships/Private Finance Initiative (PPP/PFI)[1] has been actively involved in public infrastructure projects and services such as transportation, school, prisons, water and sewage management, energy, environmental protection, and public health (Wang et al. 2018). However, PPP/PFI encounter notable challenges to transparency and accountability, often arising from ambiguous distinctions between public and private roles, inadequate regulation of private sector involvement, and weak citizen engagement in governance processes (Lee and Kim 2024; Yang et al. 2025). Recent empirical studies highlight the significance of transparency in ensuring public accountability in PPP/PFI. For example, Sheppard and Beck (2023) explored how institutional arrangements in PPP units affect the transparency and accountability of Irish PPP. Similarly, Rosell and Saz-Carranza (2020), using data on 135 countries from the World Bank's 2018 database, demonstrated the positive impact of transparency on PPP policy., regulatory shifts such as the Corporate Sustainability Reporting Directive (CSRD), effective in 2025, mandates companies to disclose their environmental and social impacts through European Sustainability Reporting Standards (ESRS), fostering greater transparency and enabling stakeholders to assess climate and sustainability risks (European Commission 2024).

Despite the global controversies surrounding PPP/PFI models, they remain central to infrastructure development agendas, including the UN's 2030 sustainable infrastructure goals (UNECE, 2023). This is particularly relevant in the post-COVID era, marked by fiscal constraints and increasing private sector involvement (Sheppard and Beck 2022), which emphasizes the need for greater transparency in PPP/PFI projects. While a few systematic literature reviews have addressed PPP/PFI more broadly (see Table 1), in-depth and dedicated reviews focusing specifically on transparency remain scarce. Although

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Table 1. Research focus in PPP/PFI (Source: Author's analysis).

Author (s) and Year	Broadbent and Laughlin (1999, 2004)	Andon (2012)	Hodge and Greve (2018)	Wang et al. (2018)	Petersen (2019)	Cepparulo et al. (2019)	Tallaki and Bracci (2021)
Research focus	Investigated the research agenda for PPP policy and practices.	Explored the role of accounting in managing, controlling, and reporting within PPP/PFI policy and practices.	Proposed a research agenda on the financialization of PPP, global market actors, internationalization of PPP policy, long-term complex contracts, and PPPs in BRICS and developing countries.	Explored PPP/PFI research through a public administration lens	Evaluated the costs, quality, and value for money of infrastructure PPP/PFI projects compared to traditional public procurement.	Investigated fiscal illusion in PPP/PFI across Europe, focusing on factors affecting policy choices, costs, and fiscal risks.	Identified risk and risk management in PPP/PFI projects

significant policy reforms—such as the UK's PF2 (2012–2018) and the World Bank's 2017 disclosure framework—have aimed to enhance transparency, there is a lack of scholarly synthesis examining how these developments have been reflected in academic research. More specifically, the transparency research gap lies in the absence of a systematic review that critically evaluates how transparency has been conceptualized, theorized, and empirically studied in the PPP/PFI literature. There is limited integration of key interrelated factors such as governance, accountability, stakeholder engagement, trust, and public participation. To address this, the present review analyzes research published between 2010 and 2022—a period shaped by major policy reforms—to identify prevailing trends, critiques, and conceptual gaps in the transparency discourse.

To provide a state-of-the-art understanding of research on transparency and to systematically evaluate the theoretical and methodological gaps of studies in PPP/PFI, this research adopts the systematic literature review (SLR) method. This approach allows for a detailed understanding of transparency in this area, identifies critiques, and proposes potential avenues for future research (Massaro et al. 2016). Consequently, the research questions are informed by the standards of the SLR method and follow the necessary sequence for further evaluation. This study addresses the following research questions:

1. How has the research on transparency in PPP/PFI evolved?
2. Which aspects of transparency are most frequently addressed in the literature on PPP/PFI, and what are the critiques of this transparency literature?
3. What emerging themes are evident?
4. What are the proposed directions for future research to enhance transparency within PPP/PFI?

An SLR covering at least a decade ensures comprehensive coverage (Rialp et al. 2005). To achieve this, the study analyzes 67 articles published between January 1, 2010, and December 31, 2022, using data from the Scopus database. Based on the findings from these selected papers, the study proposes a conceptual framework that identifies the interdependence of transparency with accountability, governance, government control, stakeholder engagement, public participation, trust, and risk.

The remainder of this paper is as follows. Firstly, the paper will focus on a research methodology and design, later presenting the main results, concluding with limitations and recommendations for future research.

Research methodology and design

SLR was conducted to achieve a state-of-the-art understanding of current research and to identify directions for future research. According to Massaro et al. (2016), SLRs are used to study scholarly literature, gain insights, make critical reflections, and identify avenues for future research and questions. Traditional literature reviews can be unreliable due to a lack of rigour, whereas SLRs adhere to specific rules to minimize bias and increase transparency in execution, validation, and reliability (Wang et al. 2018; Tallaki and Bracci 2021). As outlined in Table 2, the methodology employed in this paper aligns with the steps outlined by Massaro et al. (2016, p. 773) and Wang et al. (2018, p. 295). The process begins with the development of a review protocol that defines the research focus, summarizes existing knowledge, identifies research gaps, and formulates research questions. This is followed by the identification of relevant keywords and the execution of a structured literature search. Data collection and evaluation are guided by predefined inclusion and exclusion criteria, with emphasis on citation relevance and scholarly impact (see further details in the following paragraph). The analysis phase employs Biblioshiny (R package) and NVivo software to interpret the data and extract key themes. Insights are then synthesized into a conceptual framework to support deeper understanding. Each step is elaborated in greater detail in Sections 3 and 4. Finally, the study presents a discussion of the findings, draws conclusions, and suggests directions for future research.

Researchers can conduct keyword searches through publisher websites rather than Google Scholar, as journal search engines tend to yield more accurate results and support the extraction of reliable citation data into reference management software (Massaro et al. 2016). In this study, the Scopus database is utilized for bibliometric analysis due to its broader journal coverage compared to other scientific

Table 2. SLR review process (Massaro et al. 2016, p. 773; Wang et al. 2018, p. 295).

Step 1	Literature review protocol
Step 2	Developing research questions
Step 3	Literature research based on relevant keywords
Step 4	Data collection and evaluation (inclusion and exclusion criteria, citation impact)
Step 5	Data analysis and Interpretation [Biblioshiny (R package) and NVivo software]
Step 6	Presenting insights and critique
Step 7	Discussion, conclusion, and future research

Table 3. Paper selection process.

	Paper selection process	No. of articles
Keywords	("Public-private partnership" AND "Transparency") or ("PPP" AND "Transparency") or ("Private finance initiatives" AND "Transparency") or ("PFI" AND "Transparency") or ("Privately financed" AND "Transparency") or ("Private finance" AND "Transparency") or ("Design Build Finance Maintain" AND "Transparency") or ("DBFM" AND "Transparency") or ("Design Build Finance Maintain Operate" AND "Transparency") or ("DBFMO" AND "Transparency")	495
Exclude	Non-English language, non-peer-reviewed articles	471
Limit	Period: 2010–2022	373
Exclude	Book chapters, Book & Conference papers	297
Limit	Business, Management & Accounting; Social Science	161
Limit	Business, Management & Accounting; Social Science listed in AJG/ABS	68
Exclude	Unrelevant to research questions	11
Remaining articles		57
Add	Manual selection	10
Final sampled articles		**67**

databases like WoS. Unlike WoS, it has one citation index covering journals and conference articles across subjects (Singh et al. 2021). It holds 75 million scientific articles from more than 5,000 publishers globally (Medias et al. 2024). The search key terms were developed based on previous literature reviews such as Bracci et al. (2019), Tallaki and Bracci (2021), Wang et al. (2018), and the definitions of PPP/PFI (HM Treasury & IPA, 2019). The following query was used to identify the relevant articles: "TITLE-ABS-KEY ('Public-private partnership' AND 'Transparency') OR ('PPP' AND 'Transparency') OR ('Private finance initiatives' AND 'Transparency') OR ('PFI' AND 'Transparency') OR ('Privately financed' AND 'Transparency') OR ('Private finance' AND 'Transparency') OR ('Design Build Finance Maintain' AND 'Transparency') OR ('DBFM' AND 'Transparency') OR ('Design Build Finance Maintain Operate' AND 'Transparency') OR ('DBFMO' AND 'Transparency'). As shown in Table 3, the paper selection process began with 495 articles identified through keyword searches. The articles were then filtered based on peer-reviewed status, English language (471), and publication period (2010–2022) (373). Further exclusions included books and chapters (297), narrowing the focus to Business, Management, Accounting, and Social Science (161). Due to Scopus's extensive coverage across all disciplines, it yielded numerous irrelevant results, including sources from journals primarily focused on other subjects (Bracci et al. 2019). Therefore, the scope was further refined to include only articles published in peer-reviewed journals recognized by the Association of Business Schools (ABS) (2021), specifically within business, management, accounting, and social science. The journal selection criteria were consistent with those adopted in previous literature reviews (Tallaki and Bracci 2021; Bracci et al. 2019). Ultimately, only articles from ABS-listed journals (68) and those relevant to the research questions (57) were retained. Following manual selection (10), the final sample comprised 67 articles, categorized as 51 research articles, 9 reviews, and 7 conceptual papers.

Table 4. Research protocol (Massaro et al. 2016; Tallaki and Bracci 2021).

Research protocol
Year
Title
Authors
Source
Number of citations
Methodological design:
Case, field study, interviews, action research
Data collection:
Content analysis, historical analysis, other textual analysis, survey/questionnaire
Type:
Literature review, empirical
Geographic focus of research:
Europe, Asia, Africa, UK, Intercontinental, None
Theory applied theory not applied

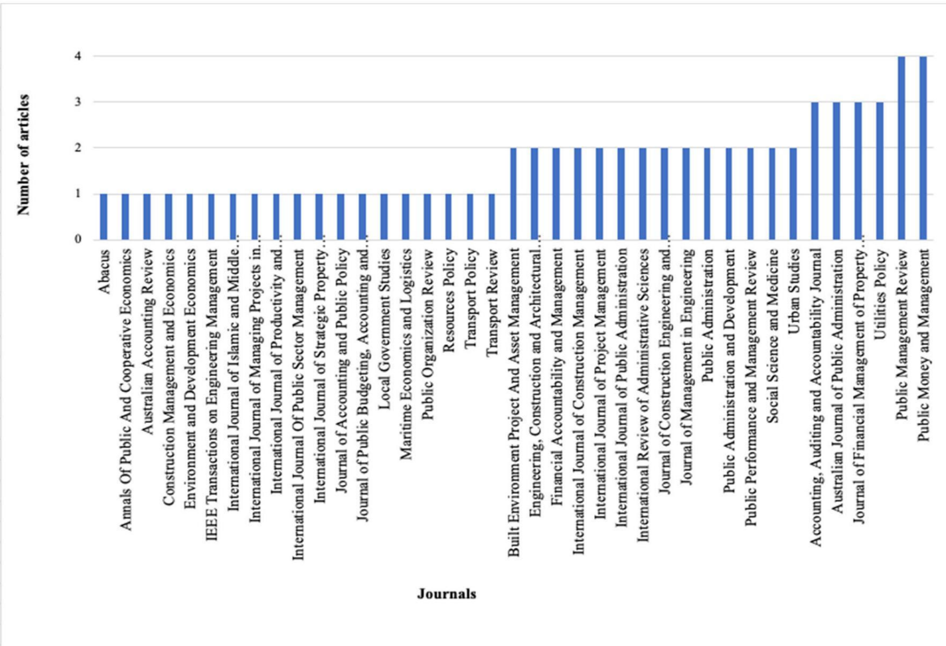

Figure 1. Number of articles per journal.

Results

As shown in Table 4, this section presents the findings derived from the research protocol adapted from Massaro et al. (2016) and Tallaki and Bracci (2021). A total of 67 peer-reviewed articles were analysed across several key dimensions, including publication trends, theoretical foundations, methodological approaches, data collection strategies, research types, and geographic focus. The objective is to synthesize and visualize the evolution and core characteristics of transparency research in PPP/PFI contexts over time. Figures 1 through 7 illustrate these findings, offering insights into journal and temporal distribution, theoretical and methodological developments, citation patterns, and the co-occurrence of key concepts. The following subsections provide a comprehensive overview of each analytical component.

Research dissemination

Figure 1 presents the distribution of articles, arranged in increasing order based on their number across various journals in public administration, management, and related disciplines. The journals 'Public

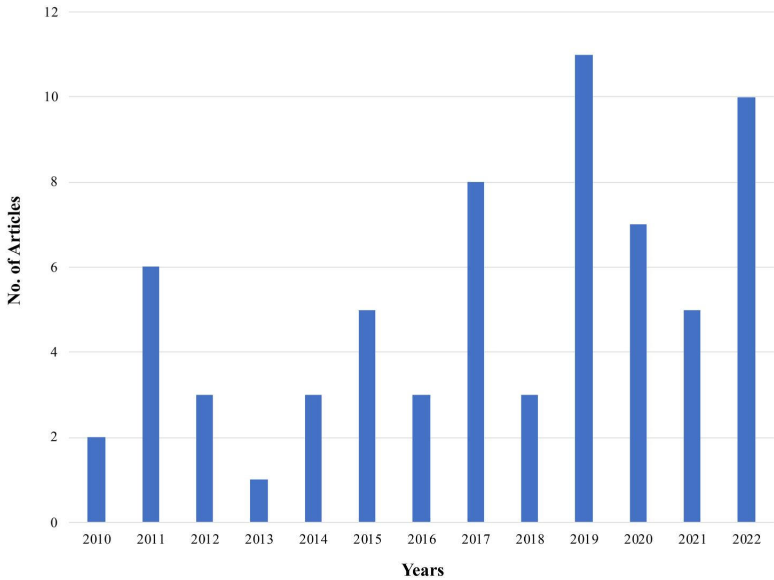

Figure 2. Evolution of published articles.

Management Review' and 'Public Money and Management' lead with the highest number of articles, each contributing four to the sample set. This suggests that these journals have a significant influence or interest in the thematic area represented by the articles. Following closely are the 'Accounting, Auditing and Accountability Journal', 'Australian Journal of Public Administration', 'Journal of Financial Management of Property and Construction', and 'Utilities Policy', each with three articles. Their substantial share implies a strong relevance to the fields of accounting, public administration, financial management, and utility policy. Journals featuring two articles or one article each reflect a consistent, albeit less dominant, interest when compared to the leading journals. The diversity of journals in this sample set highlights the interdisciplinary nature of the article's subject matter, illustrating the broad relevance of the topics across a spectrum of academic and professional fields, from local government studies to international finance.

Figure 2 shows the persistent discussion on transparency and accountability issues from 2010 to 2022. The period begins with two articles in 2010, which increases to six in 2011, indicating a growing interest in the field that led to more publications. However, the count drops to three articles in 2012 and dips further to just one article in 2013, possibly signalling a decline in research focus. The number then modestly increases to three articles in 2014 and continues to rise to five in 2015, reflecting perhaps a resurgence of interest or new research opportunities. The count decreases slightly to three in 2016, showing some variability in research output. In 2017, there was a notable increase to eight articles, followed by an unexpected drop to three articles in 2018. However, the number of articles increased to eleven in 2019—the highest observed during the period—before declining to seven in 2020 and five in 2021. In 2022, the count rebounded to ten, suggesting an upward trend in transparency research. This fluctuation is likely driven by external factors, including the 2018 PPP policy reform in the UK and international transparency initiatives, such as the 2022 publication on planning and implementing disclosure in PPPs and regulatory reforms between 2019 and 2022 (World Bank 2024). These trends are crucial for understanding the dynamic nature of the research domain, shifts in academic and industry focus, or the influence of broader societal and economic factors on these issues.

In the context of the SLR, the distribution of research locations is a critical element to consider, as it reflects the geographical focus of the studies included. According to the presented data (see Figure 3), Europe emerges as the predominant location, accounting for 25% of the research, signifying a strong concentration of academic or industry-driven studies within this region. 'Intercontinental' research,

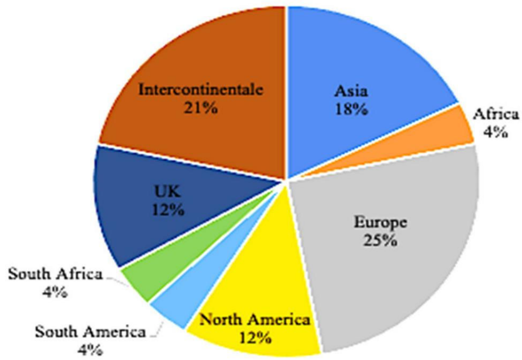

Figure 3. Allocation of research locations (%).

Table 5. Theoretical applications in research.

Use of theory in reviewed articles: presence and absence across studies	No. of articles
Regulation theory	1
Structuration theory	1
Contemporary theory	1
Policy transfer theory and institutional theory	1
Contracting theories (transactions cost, principal-agent, incomplete contract, relational contracting)	1
Principal-agent theory	1
Public choice theory	1
Agency theory, neo-institutional theory	1
No theory applied (including 9 literature reviews)	59
Total sampled articles	67

with a substantial 22%, suggests a considerable amount of work that transcends national borders, encompassing multi-regional collaborations or studies that address global issues.

Asia is represented with 18%, indicating a significant engagement with research activities, which could be reflective of the region's burgeoning research infrastructure and investment. Both North America and the UK are represented equally, comprising 12% each, underscoring their steady contribution to the field.

On the lower end of the spectrum, Africa, South America, and South Africa are each allocated 4% of the research locations. This lesser percentage could highlight areas where research activity is emerging or where there may be less regulatory control or resources allocated to the specific field of study. This geographical allocation of research underscores not only the diverse origins of the literature but also potentially points to varying perspectives, methodologies, and focal points of the studies.

Theory and research method

According to Table 5, 86% of the articles (50 out of 58 empirical articles, excluding 9 review articles) did not apply any specific theoretical framework, suggesting a practical or exploratory approach within the field. Among the remaining studies, there is a diverse yet minimal use of theoretical bases, with single articles drawing from regulation theory, structuration, contemporary theory, combined policy transfer, and institutional theory, contracting theories including transaction cost, principal-agent, incomplete contract, and relational contracting, principal-agent theory, public choice theory, and a blend of agency theory with neo-institutional theory. This indicates a broad range of theoretical lenses applied, but also highlights a potential gap in theory-driven research within transparency in the PFI field.

In terms of research methods (Figure 4), qualitative methods are the most common, constituting 30% of the studies, indicating a significant reliance on non-numerical data. Quantitative methods account for 25%, reflecting a substantial portion of research employing statistical data. Mixed methods are used in 21% of the studies, combining both qualitative and quantitative approaches for a comprehensive analysis. Review articles make up 13%, suggesting a focus on summarizing and synthesizing

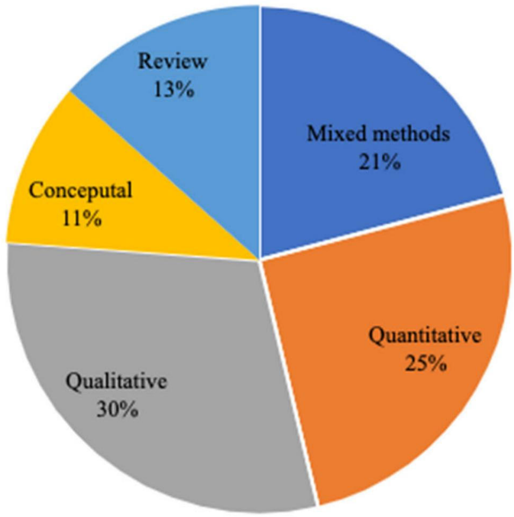

Figure 4. Research method.

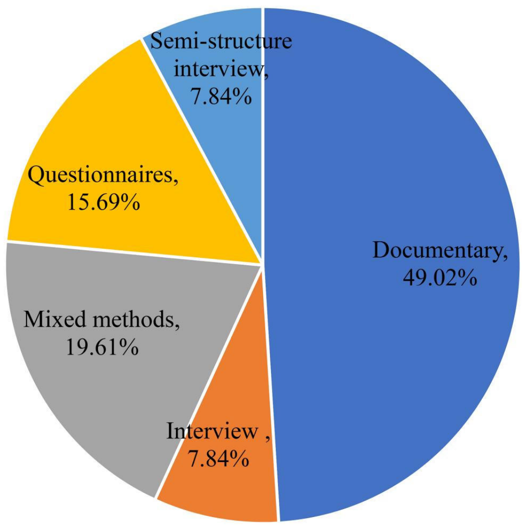

Figure 5. Data collection.

existing literature. Lastly, conceptual studies, which explore theories or propose new frameworks, constitute 11% of the total. This distribution shows a balanced methodological approach with a slight preference for qualitative analysis in the sample set.

Regarding data collection (see Figure 5), documentary research methods are the most utilized in the literature, accounting for just under half of all studies at 49.02%. This suggests a strong preference for secondary data analysis. The mixed methods approach, which combines qualitative and quantitative research, is also notably significant, representing 19.61% of the research methods used. Questionnaires are favoured in 15.69% of the studies, allowing for structured data collection, while semi-structured interviews and interviews are less common, comprising 7.84% each, indicative of a more in-depth, qualitative approach to data gathering. These findings emphasize the importance of employing diverse

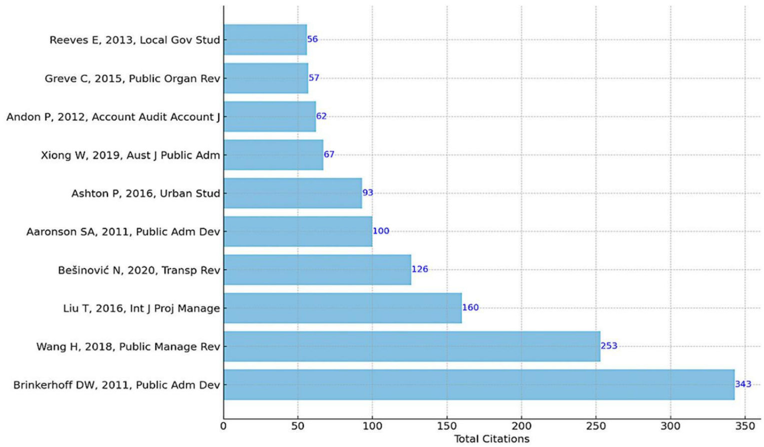

Figure 6. Most cited papers.

data collection approaches to enhance the robustness and depth of the research on transparency and accountability in PPP/PFI.

Top ten most cited articles

SLRs typically begin with a limited set of articles, where researchers analyse data to draw initial conclusions and identify aspects requiring more in-depth investigation (Broadbent and Guthrie 2008; Massaro et al. 2016). By examining highly cited papers, researchers can gain insights into the evolution of a specific research field and identify key articles that have played a pivotal role in advancing knowledge and research (Serenko and Dumay 2015).

Figure 6 presents the ten most cited papers, highlighting their relevance and influence within the literature. The most cited paper is by Brinkerhoff and Brinkerhoff (2011), with 343 citations, followed by Wang et al. (2018) with 253 citations, and Liu et al. (2016) with 160 citations.

Brinkerhoff and Brinkerhoff (2011) provide a comprehensive framework to analyse PPP based on their purposes—policy, service delivery, infrastructure, capacity building, and economic development—and examine their role in promoting international norms of good governance. They highlight the complexities in balancing diverse interests and incentives among partners. Similarly, Greve (2015) and Wang et al. (2018) emphasize the significance of partnerships beyond contracts, advocating for efficiency balanced with public interest.

Aaronson (2011) underscores civil society participation and the effective implementation of initiatives like the Extractive Industries Transparency Initiative (EITI) to promote development and counter corruption. Likewise, Andon (2012), Liu et al. (2016), and Xiong et al. (2019a) address the critical role of transparency and public accountability in PPP. Both Ashton et al. (2016) and Reeves (2013) emphasize the critical role of transparency in the success of PPP and stress the importance of comprehensive stakeholder involvement and the establishment of robust governance frameworks to enhance transparency and public accountability in PPP projects.

Besinovic (2020) focuses on the classification of resilience metrics, the application of mathematical optimization models, and the necessity of system-based metrics for accurate resilience assessment. The study highlights the importance of transparent and robust frameworks for improving the resilience and efficiency of PPP in transportation networks.

Collectively, the most cited papers illustrate a shift from policy-focused analyses to frameworks emphasizing transparency, stakeholder involvement, and robust governance. These studies highlight the critical role of citizen engagement, balancing efficiency with public interest, and leveraging technology for data-driven decision-making. Moreover, the findings illuminate the complexities of managing diverse interests while ensuring accountability and resilience in PPP/PFI frameworks.

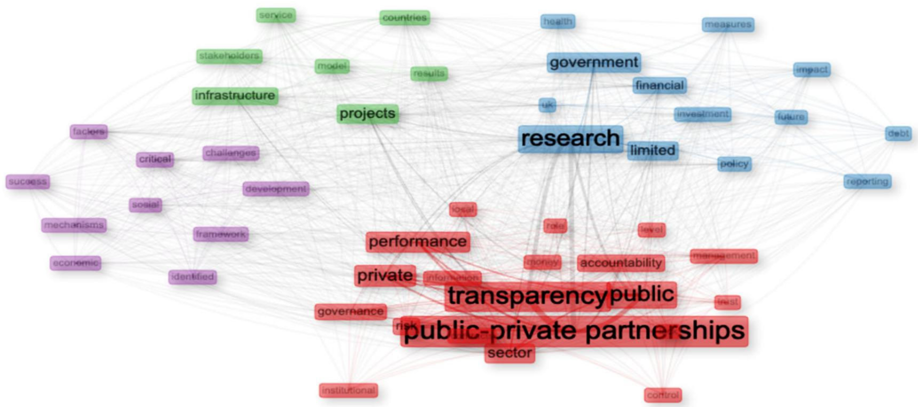

Figure 7. Co-Occurrence of keywords.

Most frequent keywords identified through co-occurrence network analysis

Figure 7 provides a visualization of the most frequently occurring keywords across 67 articles. Using R-Bibliometrix software, the study conducted a co-occurrence network analysis that identified 12 primary keywords.

The red cluster highlights PPP/PFI, transparency, and accountability, with terms like performance, governance, and risk playing key roles. It emphasizes transparency's role and governance mechanisms in ensuring accountability, focusing on performance measurement and risk management in public-private collaboration. The blue cluster centres on research, government, and policy, with terms like finance, impact, and investment. It underscores research's role in shaping PPP policies and addresses financial considerations, investment impacts, and the policy environment influencing PPP. The green cluster focuses on infrastructure, projects, and stakeholders, addressing concerns in PPP infrastructure development and delivery. It highlights operational aspects, including stakeholder involvement and service delivery through projects. The purple cluster explores challenges, critical factors, and mechanisms for PPP success, with terms like development, framework, and social factors. It examines barriers, success factors, and social and economic mechanisms needed to overcome challenges.

All clusters converge on the themes of governance, transparency, accountability, and performance. Effective governance is crucial for both successful infrastructure project operations (green cluster) and ensuring transparency in PPPs (red cluster). The analysis reveals that PPP/PFI transparency literature predominantly focuses on risk, accountability, and governance. The blue cluster's emphasis on research informs policies and mechanisms affecting infrastructure projects, performance metrics, and risk management across all clusters. The purple cluster highlights risks and critical success factors, linking them to the governance and transparency themes of the red cluster and the operational aspects of the green cluster.

Thematic evolution of transparency in PPP/PFI research

This section explores the evolution of key themes related to transparency in the sampled literature and proposes a conceptual framework grounded in the findings. To identify and visualize these themes, we used the 'Conceptual Structure > Thematic Map' function included in the R-based Bibliometrix package (Aria and Cuccurullo 2017; Singh and Ravi 2023). This tool enabled a co-word analysis of author keywords and abstract terms, clustering them into thematic networks. The analysis revealed six central themes—governance, transparency, accountability, risk, stakeholder participation, and trust—which represent the core conceptual domains in PPP/PFI transparency literature. These themes were further explored through periodical trend analysis to assess their temporal development (see section 4.1).

To complement the bibliometric mapping, the study used NVivo software to conduct a structured qualitative content analysis. Articles were imported into NVivo and coded line by line using a predefined coding framework aligned with the six identified themes. This process involved tagging specific text segments to systematically organize data by theme. NVivo facilitated the identification of recurring patterns, co-occurring topics, and underlying meanings across studies, supporting a deeper thematic interpretation beyond simple keyword frequency.

Together, Biblioshiny and NVivo provided a mixed-methods approach to identify not only the most discussed terms but also the contextual depth and interrelationships among key concepts in the transparency literature.

An analysis of key research themes across periods (2010–2022)

Period 1 (2010–2013)

Between 2010 and 2013, PPP was widely studied in various contexts and countries, reflecting its growing importance. For example, Brinkerhoff and Brinkerhoff (2011) introduced a framework for analysing PPP, focusing on governance and balancing stakeholder interests. Similarly, Cruz and Marques (2012) identified weaknesses in Portuguese school PPPs, emphasizing the need for transparency and standardization. Furthermore, Campos et al. (2011) highlighted the importance of careful planning during development, including shared goals, mutual interests, balanced power, resource exchange, stakeholder involvement, and health capacity assessments. Likewise, Reeves (2013) examined PPP procurement in Ireland, addressing challenges like complexity, uncertainty, and the role of stakeholder consultation. Meanwhile, Andon (2012) called for more research to bridge the gap between theory and practice in public investment management.

In addition, Shaoul et al. (2010) and Heald and Georgiou (2011) highlighted limited transparency and accountability in the UK's private finance roads and Whole of Government Accounts. Similarly, Aaronson (2011) assessed the Extractive Industries Transparency Initiative, identifying challenges like conflicting partner visions and low public awareness. On a related note, Gannon and Smith (2011) and Chlomoudis et al. (2011) identified success factors, including political support, balancing PPP ideology with market needs, and supplier transparency. Moreover, Fischer et al. (2010) recommended integrated risk management for large infrastructure PPPs to improve transparency and decision-making. Lastly, Velotti et al. (2012) examined the overlap of New Public Management and New Public Governance in Italian PPPs, highlighting their impact on sustainability.

Overall, this period highlighted the importance of transparency, governance, risk management, and aligning theory with practice to advance sustainability and public accountability.

Period 2 (2014–2016)

Transparency and accountability are crucial for PPP success, as emphasized in numerous studies. Reynaers and Grimmelikhuijsen (2015) link transparency outcomes in Dutch PPPs to institutional environments. Macario et al. (2015) associate high costs in Portugal's PPPs with transparency challenges, while Wan et al. (2015) advocate for openness in Chinese WTE projects to reduce corruption. Ashton et al. (2016) connect inefficiencies in North American PPPs to financialization trends, citing transparency deficits. Liu et al. (2016) underscore the importance of transparent tendering in Australia and China, proposing improvement strategies. Reynaers and Paanakker (2016) examine how Dutch prison PPPs influence public values, while Stafford and Stapleton (2017; 2022) critique weak accountability in British PPPs.

Globally, Gurgun and Touran (2014) identify common PPP success factors like economic viability and transparency, focusing on Turkey's diverse PPP models. Wibowo and Wilhelm (2014) and Phua et al. (2014) highlight financial transparency, policy continuity, and anti-corruption measures in Indonesia and Malaysia, respectively. Public management reforms also stress transparency. Greve (2015) discusses alternatives to New Public Management, such as Digital-Era and Collaborative Governance, as reform drivers despite inherent tensions. Wong et al. (2015) examine trust, transparency, and flexibility for sustainability in Hong Kong's health sector PPPs.

This period highlights transparency and accountability as vital to PPP success and public sector reforms. Spanning various contexts, these themes underline their universal significance in governance and effective partnerships.

Period 3 (2017–2019)

Transparency and accountability are key concerns in PPP/PFI research across countries. Acerete et al. (2019) highlight high costs and poor public accountability in DBFO road projects in the UK and Spain, raising questions about long-term affordability. Agyenim-Boateng et al. (2017) find that complex corporate structures in UK healthcare PPP hinder financial transparency. Valverde and Moore (2019) critique Canadian PPP for transparency gaps that limit public empowerment, while Ismail et al. (2019) report limited non-financial data disclosure by Malaysian construction firms, reflecting broader transparency issues. Similarly, Wegrzyn et al. (2019) call for improved financial transparency in Polish municipal PPP to enhance accountability.

Teo and Bridge (2017) propose a framework using microeconomic theories to improve PPP selection transparency. Effective governance mechanisms are vital for success. Xiong et al. (2019a, 2019b) stress trust, communication, and transparency, while Hodge et al. (2017) discuss transparency and governance challenges in Australian PPP.

Sustainability and public values are also critical. Agarchand and Laishram (2017) note weaknesses in environmental and social assessments in India's PPP procurement. Sheppard and Beck (2018) emphasize incentives and capacity building for sustainability in Ireland. Opara (2018) advocates for better transparency and risk management to ensure value for money in Alberta. Shalaby and Hassanein (2019) propose an automated system for contract renegotiations to boost transparency, while Feng et al. (2017) develop a model to optimize funding in PPP projects.

Other studies address transparency and accountability in various contexts. Hossain et al. (2019) create performance indicators for Bangladeshi PPP, and Osei-Kyei et al. (2019) focus on conflict prevention in Ghana. Bo et al. (2017) describe how China's policies aim to improve transparency and reduce obscure financial instruments. Diaz (2017) explores regulatory certainty and transparency in Peru, and Dithebe et al. (2019) identify planning and accountability as success factors in South African water PPP. Overall, transparency, accountability, and effective governance are still essential to addressing financial, risk, and sustainability challenges in PPP.

Period 4 (2020–2022)

Transparency and accountability are vital in PPP governance. Hevenstone and Bergen (2020) noted data advancements and accessibility issues in Social Impact Bonds. Viana et al. (2021) exposed understated public debt in Portugal's PPP, while Rosell and Saz-Carranza (2020) showed transparency's positive impact on EU policies. Abdullah and Khadaroo (2020) found that transparency and trust improved UK school PPP, and Wang and Gao (2020) linked transparency to public satisfaction and success.

Infrastructure resilience and risk management were also key. Bešinović (2020) emphasized railway resilience metrics, and Tallaki and Bracci (2021) proposed lifecycle risk models. Rivas and Schroering (2021) highlighted resident mobilization in Pittsburgh, while Watt and Marais (2021) noted transparency challenges in South African mining PPP. Fraser (2022) warned that EITI membership alone doesn't ensure resource management. These studies stress integrating resilience, transparency, and governance.

Public trust and participation were crucial. Liu (2022) linked trust to citizen engagement, while Hasan et al. (2022) stressed the need for greater transparency in post-COVID PPP projects financed through socially responsible investments (SRI). Sheppard and Beck (2022) proposed a benchmarking framework to enhance stakeholder support. These findings underline trust and social responsibility in PPP governance. Governance and audits also featured prominently. Stewart and Connolly (2022) highlighted the UK's Whole Government Accounts for improved transparency. Reis and Gomes (2023) called for risk-focused PPP frameworks, and Viana et al. (2022) noted that Portugal's audits reduced information asymmetry. These studies stress governance models integrating transparency and audits.

Table 6. Key themes in PPP transparency.

Theme	Definition	Relationship to governance, transparency, and accountability
Governance	Frameworks ensuring compliance, stakeholder alignment, and institutional stability in PPPs.	Supports institutional integrity and regulatory adherence.
Transparency	Openness in decision-making, financial reporting, and information disclosure.	Enhances access to critical information and prevents corruption.
Accountability	Mechanisms enforcing obligations and responsibilities in PPPs, ensuring performance monitoring.	Strengthens monitoring and enforcement of PPP contracts.
Risk management	Processes for identifying, assessing, and mitigating financial, operational, and regulatory risks.	Minimizes uncertainties and ensures project feasibility.
Stakeholder participation	Involvement of key actors in project planning, decision-making, and implementation.	Encourages collaboration and trust-building among stakeholders.
Trust	Reliance on transparent communication, institutional credibility, and long-term collaboration.	Reinforces confidence in PPPs through openness and integrity.

The pandemic underscored transparency's role in resilience. Cho and Kurpierz (2020) showed that Canada's transparent responses boosted crisis resilience. Zhao et al. (2022) found moderate bureaucracy helps PPP investment, but corruption hinders governance. Chileshe et al. (2022) identified success factors for Kenyan PPP, including community support and frameworks. Transparency, accountability, and governance remain essential for resilient PPP over the years.

Summary of key themes in PPP transparency. Table 6 presents six interrelated themes identified in the analysis: governance, transparency, accountability, risk management, stakeholder participation, and trust. Governance emerges as the overarching theme, providing the institutional foundation that enables transparency in decision-making and accountability through performance monitoring. These mechanisms, in turn, support effective risk management, foster stakeholder engagement, and build trust among partners and the public. Transparency and accountability are critical enablers of information access, oversight, and operational integrity, while stakeholder participation enhances legitimacy and responsiveness through inclusive decision-making. Trust is positioned as both an outcome and a reinforcing mechanism, sustained by transparency, institutional credibility, and long-term collaboration. Together, these thematic relationships form the basis for developing the conceptual framework.

Developing a conceptual framework: Gaining insight

This section presents a conceptual framework to deepen understanding of the dynamics of transparency in PPPs/PFIs, grounded in six interrelated themes identified through thematic and bibliometric analysis. As Hart (1998, p. 162) notes, mapping ideas, arguments, and concepts from a body of literature is fundamental to conducting a comprehensive literature review. Within this framework (see Figure 8), effective governance is positioned as the central driver, exerting influence through two primary domains: transparency and accountability, and stakeholder participation. These domains, in turn, enhance risk management, build public trust, and strengthen oversight, ultimately contributing to PPP project success and sustainable partnerships. The interconnectedness of these six themes highlights their theoretical relevance and provides a coherent structure for understanding how governance shapes key outcomes in PPPs. The following discussion elaborates on each theme and its contribution to the conceptual model.

Governance

Effective governance serves as a cornerstone for ensuring that PPP operates with integrity, efficiency, and alignment with public objectives. It provides the necessary oversight to promote transparency, manage risks, and hold stakeholders accountable (Greve 2015; Tallaki and Bracci 2021). Strong governance mechanisms are essential for maintaining trust, safeguarding public interests, and ensuring adherence to legal and regulatory frameworks (Hodge et al. 2017). Conversely, weak governance can lead to

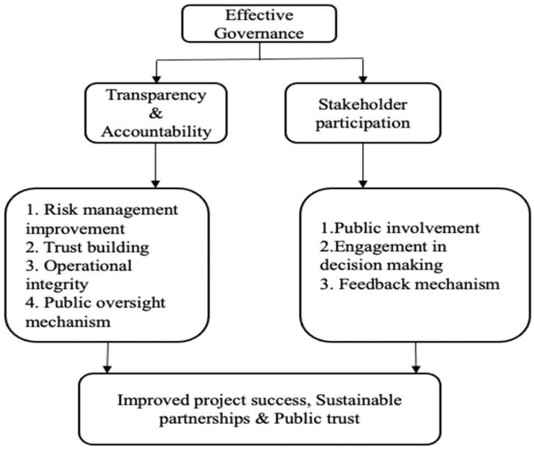

Figure 8. Conceptual framework of transparency in PPP/PFI research.

inefficiencies, corruption, and financial mismanagement (Macário et al. 2015). Moreover, government control plays a key role in ensuring that PPP functions transparently and aligns with public objectives (Shaoul et al. 2010; Stewart and Connolly 2022; Viana et al. 2022; Xiong et al. 2022). Control mechanisms are essential for reducing information asymmetry and ensuring both private and public entities remain accountable for project outcomes (Andon 2012; Viana et al. 2021, 2023; Zhao et al. 2022).

However, governance and transparency in PPPs vary significantly between mature PPP markets and emerging economies, primarily due to differences in economic systems, regulatory environments, and institutional structures (Casady 2021). For example, in the UK and Australia, which operate free-market economies, PPP governance is characterized by structured policies, institutional oversight, and competitive procurement processes. The national PPP policy and guidelines provide a consistent framework for project governance, emphasizing value for money, risk allocation, and transparency (Liu et al. 2016). In contrast, China's PPP model is defined by strong government involvement, centralized decision-making, and frequent renegotiations. Unlike the UK and Australia, China lacks a unified national PPP policy, leading to fragmented governance and inconsistent enforcement (Liu et al. 2016; Xiong et al. 2019a). Compared to China, India's market-oriented PPP framework fosters competition and private sector involvement but suffers from governance instability and financial mismanagement (Xiong et al. 2019a).

Similarly, while the UK's contract-based approach has resulted in higher costs and weaker public accountability, Spain's government-driven model struggles with political interference and financial instability in PPP projects (Acerete et al. 2019). In a broader governance context, a recent study examines the Extractive Industries Transparency Initiative (EITI) across 22 countries and finds that while EITI enhances transparency in resource revenue management, its effectiveness depends on strong institutional frameworks and independent oversight mechanisms. Although EITI can improve investor confidence, country-specific factors play a crucial role in determining its actual impact (Fraser 2022).

Transparency, accountability and risk management

Transparency and accountability are pivotal aspects of governance, directly influencing risk management, stakeholder trust, and project success. Transparency clarifies decision-making processes, reduces information gaps, and ensures that project activities align with public expectations. Multiple studies have emphasized its central role in governance, risk management, and accountability mechanisms (Cruz and Marques 2012; Reynaers and Grimmelikhuijsen 2015; Valverde and Moore 2019). For example, Fischer et al. (2010) proposed a risk management framework designed to enhance transparency and improve decision-making in large infrastructure projects. Additionally, transparency significantly influences international PPP performance. Case studies from North American infrastructure leases (Ashton et al. 2016) and Chinese waste-to-energy (WTE) incinerator projects (Wan et al. 2015) highlight its importance in promoting operational integrity and effective risk management.

Public accountability complements transparency by ensuring that both public and private actors are held responsible for their actions within PPP. Studies such as Shaoul et al. (2010) and Heald and Georgiou (2011) have raised concerns about limited transparency and accountability in the UK government's use of private finance, while Acerete et al. (2019) highlighted similar issues in road schemes in the UK and Spain. Public accountability mechanisms help mitigate inefficiencies and prevent financial mismanagement when properly integrated with governance practices (Agyenim-Boateng et al. 2017; Stafford and Stapleton 2017 and 2022; Ismail et al. 2019).

However, recent studies show that increasing transparency has both positive and negative impacts. Excessive procedures beyond a certain threshold can slow down decision-making, discourage private investment, reduce efficiency, and increase project risks and costs (Zhao et al. 2022). Moreover, extreme openness can overcomplicate decision-making, leading to delays in project implementation (Liu et al. 2016; Chileshe et al. 2022). Similarly, requiring extensive disclosure and competitive bidding procedures increases transaction costs and slows project approvals (Xiong et al. 2019a).

Stakeholder engagement

Stakeholder participation further strengthens both transparency and accountability by allowing diverse groups to contribute to decision-making processes and project oversight. Public involvement ensures that stakeholder interests are integrated into project planning and implementation, reducing complexity and enhancing project success (Reeves 2013; Wang and Gao 2020). This approach has been shown to result in smoother project execution and more responsible governance (Liu et al. 2016; Reynaers and Paanakker 2016; Reis and Gomes 2023). ; Furthermore, stakeholder engagement is crucial for maintaining transparency and accountability within PPPs (Liu 2022). Regular consultation and communication with affected groups, as emphasized by Diaz (2017) and Osei-Kyei et al. (2019), help ensure that projects align with community needs and prevent potential conflicts. Supporting this, studies such as Chileshe et al. (2022) and Sheppard and Beck (2022) identify stakeholder engagement as a key factor in PPP success.

The role of trust

Trust is essential for the long-term success of PPP/PFI, particularly when strong transparency and accountability mechanisms are in place. High levels of trust between public entities, private partners, public and government authorities significantly improve project outcomes (Abdullah and Khadaroo 2020; Liu 2022). For example, Wong et al. (2015) identify trust as a critical element for building sustainable partnerships, particularly in Hong Kong's health sector. To cultivate trust, governance structures must remain transparent and accountable (Xiong et al. 2019b; 2022).

Together, these six themes form a dynamic framework that links governance structures with transparency and accountability mechanisms, both of which shape stakeholder involvement, risk mitigation and trust-building. This integrated model offers a practical guide for policymakers and practitioners aiming to improve PPP/PFI outcomes.

Discussion, conclusion and future research

This paper highlights a growing focus on transparency in PPP/PFI, emphasizing its importance in global PPP/PFI projects. The conceptual framework highlights that effective governance is the primary driver, shaping transparency, accountability, and stakeholder participation within PPPs. These elements, in turn, contribute to increased public trust, conflict reduction, project success, and improved risk management. Combining insights from the reviewed literature, this review emphasizes the need for further research focusing on a more holistic exploration of governance, transparency, accountability, and stakeholder participation in PPP/PFI projects.

First, most of the selected articles focus on Europe, followed by intercontinental and Asian regions, indicating potential geographic biases. Comparative studies between developed and developing countries are needed to better understand how transparency impacts PPP/PFI in diverse economic contexts. Such research is crucial for ensuring the success of sustainable infrastructure projects by 2030 (UNECE, 2023).

Secondly, the findings suggest a predominant gap in theory-driven research within the field of transparency in PPP/PFI. With 86% of empirical studies adopting a practical or exploratory approach, this review reveals the limited and fragmented use of theoretical frameworks. Integrating interdisciplinary theories could provide deeper insights into the complex dynamics of PPP/PFI structures. For example, institutional theory can explore how formal and informal rules influence transparency practices, while stakeholder theory can help unpack the roles and expectations of diverse actors. Legitimacy theory can shed light on how transparency practices build trust and acceptance among stakeholders. Similarly, agency theory and principal-agent theory can examine accountability challenges in public-private relationships, while transaction cost economics can offer insights into risk allocation and cost implications of transparency mechanisms. In addition, network governance theory and resource dependency theory could be applied to understand collaboration and resource-sharing dynamics. Furthermore, public choice theory and structuration theory could provide valuable perspectives on decision-making processes and the interplay of structure and agency in promoting transparency. Future studies should prioritize qualitative approaches, including interviews and case studies, to explore transparency and accountability in PPP/PFI across different governance structures. By doing so, researchers can contribute to advancing theoretical frameworks while offering actionable insights to improve governance and stakeholder engagement in practice.

Thirdly, legal and regulatory differences complicate cross-border project implementation (Cepparulo et al. 2019), while external factors such as institutional frameworks and cultural influences significantly affect PPP/PFI transparency and project success (Wang et al. 2018; Xiong et al. 2019a). Due to limitations in time and resource allocation, extending the study period to 2025 falls beyond the current scope. As noted earlier, future comparative research across different timeframes and countries—with varying regulatory and institutional reforms—is needed to better understand how distinct governance models influence PPP success rates. Moreover, research could examine the role of governance reforms in building trust, particularly the long-term impact of public consultations, communication strategies, and transparency in mitigating financial mismanagement. Future studies should also assess the effectiveness of accountability mechanisms, such as audits and public and private sector reporting, in enhancing project outcomes.

This study acknowledges certain limitations, including the potential influence of time frame, database selection, sample size, and subjective interpretations of the findings. Despite this, it enhances the understanding of transparency in global PPP projects and provides a foundation for future research in diverse institutional settings. The findings contribute to a better understanding of transparency trade-offs such as information overload, slower decision-making, higher costs, and private sector investment risks across different governance models. It highlights the need for strong regulatory frameworks, independent oversight, and digital transparency solutions using AI, including real-time data analytics, to balance accountability with efficiency in PPP governance.

In conclusion, this review systematically analyses the literature on transparency in PPP/PFI projects, identifies prevailing research themes, and addresses theoretical and methodological gaps. These objectives were achieved by synthesizing 67 peer-reviewed articles and organizing findings into six key thematic areas, further supported by a conceptual framework. While the literature shows progress—particularly in recognizing the central roles of governance and transparency and accountability—significant gaps remain, especially in theoretical integration and cross-regional comparisons. This study provides a comprehensive mapping of current research and offers a strategic roadmap for scholars and policymakers. By highlighting underexplored areas and proposing interdisciplinary theoretical approaches, it sets the stage for more informed policy reforms and enhanced transparency and accountability mechanisms in future PPP/PFI projects and similar forms of other public infrastructure projects.

Note

1. Public-private partnerships (PPP) are long-term contractual arrangements between a public sector entity and a private sector provider. The private sector provider is engaged to design, build, finance, maintain, and operate (DBFMO) infrastructure assets and related services. Meanwhile, private finance initiatives (PFI) are the government's favoured model for implementing PPP (HM Treasury & IPA, 2019, p. 2).

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Data availability statement

The data that support the findings of this study are available from the corresponding author, upon reasonable request.

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Voluntary Disclosure and Transparency of Special Purpose Vehicles in Public-Private Partnerships

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ABSTRACT

Drawing on Bourgeois Political Economy Theory (BPET), this article unravels voluntary financial and environmental disclosures by Special Purpose Vehicles (SPVs) in the UK's Private-Finance-Initiative road projects. We analyze annual reports of thirteen SPVs and eight parent companies from 2004 to 2019. Using a checklist based on Shaoul et al. and IAS 37 guidelines, we find a slight increase in the financial transparency of SPVs since 2004. Using the Factiva database, we find that SPVs facing environmental criticism disclose less financial information compared to others. Overall, SPVs and their parent companies do not disclose environmental information following IAS 37. Our study's main contributions lie in conceptualizing BPET theory for SPVs' voluntary disclosures, extending the understanding of SPVs' and parent companies' financial accountabilities. First, we uniquely apply BPET to SPVs' disclosures in public-private partnerships (PPPs), in a largely under-explored area. Second, we show how SPVs selectively disclose information to balance public demand and self-interest. Third, we reveal that environmental criticism reduces SPVs' financial disclosure, suggesting parent companies may limit SPVs' transparency under stakeholder pressure. These findings have critical implications for policymakers aiming to achieve the 2030 SDGs in PPPs, exposing SPVs' lack of financial accountability and clarifying their complex relationships with parent companies.

KEYWORDS

Environmental criticisms; financial disclosure; parent and SPVs relationships; private finance initiative (PFI); public-private partnerships (PPPs); special purpose vehicles (SPVs)

Introduction

The political will for the UK's private financing of public infrastructure projects has significantly influenced the adoption of the private finance initiative (PFI)[1] (Shaoul, 2021). Although no new PFI projects have been implemented in the UK since 2018, ongoing projects valued at £11.7 billion are set to revert to government control by 2030 (NAO, 2020). PFI is prominent not only in the UK but also internationally as a model of Public-Private Partnerships (PPPs) (Lee & Kim, 2024). Globally, the promotion of PPPs aims to achieve the Sustainable Development Goals (SDGs)

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by 2030 through infrastructure projects (UNECE, 2023). Aligned with efforts to improve accountability in PPPs, starting in 2025, the Corporate Sustainability Reporting Directive (CSRD) will require companies to report on their environmental and social impacts using the European Sustainability Reporting Standards (ESRS), enhancing transparency and enabling stakeholders to assess climate and sustainability risks (European Commission, 2024). However, PPPs face significant transparency and accountability challenges due to blurred public-private boundaries, limited oversight of private partners, and insufficient citizen participation in decision-making (Lee & Kim, 2024; Yang et al., 2025). One example is the current PFI public policy, which has been widely contested due to its complex governance and negative impact on public finances, prompting increased scrutiny and calls for greater transparency and accountability in public expenditure reporting[2]. With rising public expenditures, the financial reporting for private sector PFI—especially through complex Special Purpose Vehicles (SPVs)[3]—encounters further challenges in their transparency and public accountability (Acerete et al., 2019; Agyenim-Boateng et al., 2017; Shaoul, 2021; Stafford & Stapleton, 2017, 2022; Viana et al., 2023).

The focus on the UK's PFI disclosure practices is not only well-founded but also internationally relevant, as comparative studies highlight similar and contrasting challenges across other PPP models. For example, both the UK and Spain suffer from limited public accountability—Spain is particularly criticized for fragmented and delayed reporting, while the UK has struggled to demonstrate value for money despite decades of DBFO use (Acerete et al., 2019; Ahmad et al., 2021). In comparison with Portugal, and despite the UK's reputation for advanced public sector accounting, its Whole of Government Accounts (WGA) disclose less than half of the key reporting elements necessary for effective political accountability, omitting crucial information such as value-for-money assessments, performance data, and penalties (Caperchione et al., 2017; Viana et al., 2023). Portugal, although initially weaker in disclosure, improved its reporting under coercive institutional pressure, yet still lacks comprehensive accrual-based and non-financial disclosures (Viana et al., 2023). In contrast to the UK and EU countries, the Australian and U.S. models of PPPs reveal different approaches to transparency, standardization, and public interest oversight. Australia has developed a standardized and formalized PPPs framework that emphasizes value for money (VFM) and efficient resource use, though monitoring these indicators remains complex and costly (Keating & Keating, 2013). However, evaluations are largely conducted by treasury departments rather than independent auditors (Boyce & McDonald-Kerr, 2021; Yescombe, 2007). The U.S., by contrast, follows a decentralized "innovative contracting" approach, lacking standardization and often generating political pushback (Keating & Keating, 2013). U.S. PPPs face scrutiny for inadequate risk transfer, inconsistent state-level practices, an absence of federally mandated disclosure mechanisms, and limited accountability—with concerns that taxpayer interests may be compromised in favor of private gain (Yescombe, 2007). Similarly, China's PPPs face persistent transparency challenges due to the lack of overarching legislation, discretionary power of subnational governments, limited disclosure to the public, and the dominance of political pressures and government—business relationships, which heighten risks of early termination and weaken accountability (Tang et al., 2023). At the same time, organizational capacity, environmental support, and stakeholder involvement were found to enhance PPPs sustainability in China, whereas weak laws, fiscal pressures, and underdeveloped administrative frameworks constrained performance (Xue et al., 2022).

Collectively, these comparisons highlight that the UK's disclosure challenges are not unique but rather part of a wider international concern, reinforcing the significance of this study's UK focus within a global PPPs transparency context.

To contextualize these international disclosure challenges, we conceptualize how financial reporting transparency is shaped by accounting disclosure practices. Financial reporting transparency is inherently linked to the disclosure of accounting information. Studies suggest that accounting disclosure can be examined through the lens of political economy theory (PET), considering a broad range of societal interests within its economic, social, and political contexts (Cooper & Sherer, 1984; Gray et al., 2010; Guthrie & Parker, 1989). Under PET, social and political pressures shape disclosure practices in accounting reports, with larger corporations facing greater pressure for transparency due to their public and media visibility (Gray et al., 1995). Gray et al. (1996, p. 49) note that if this is accurate, it is somewhat discouraging, as it suggests that the management of organizations lacks the intrinsic motivation to contribute to transparency and accountability in their disclosures and may limit information disclosure to prevent conflict and competition. Similarly, in international mandatory disclosure regimes, political influences can lower standards, leading companies to disclose only the minimum required information, which may provide less useful market data compared to voluntary disclosures (EAA, 2024). Minimum disclosure and secrecy may also exist if the disclosure could threaten a firm's financial stability (Gray, 1988). However, these limitations of disclosure can lead to transparency and accountability issues, as both government and companies tend to prioritize their self-interests over the public interest in corporate reporting (Beelitz & Merkl-Davies, 2019). While prior studies have analyzed companies' disclosure practices through the PET lens (Beelitz & Merkl-Davies, 2019; Cho & Patten, 2007; Gray et al., 1995; Guthrie & Parker, 1989), using stakeholder theory, legitimacy theory, and classical political economy theory, the demand for greater transparency and accountability—particularly regarding changes in voluntary financial and environmental disclosures by SPVs and their parent companies—remains an underexplored area of research.

We uniquely draw on the Bourgeois Political Economy Theory (BPET), which emphasizes the relationships between interest groups in a pluralist world (Gray et al., 1996). This theoretical framework offers new valuable insights into how businesses respond to societal demands through financial, environmental, and social disclosures, as demonstrated in studies by (Deegan, 2014), Ramananda and Atahau 2020 , Soobaroyen and Mahadeo (2016), and Williams (1999). A recent study by (Ramananda and Atahau 2020) employs the BPET as a framework to understand why Indonesian firms engage in voluntary CSR disclosure on social media. Their findings suggest that firms are motivated by the need to satisfy stakeholders' demands and alleviate pressures from their socio-economic environments, rather than being driven by regulatory requirements. Building on these theoretical foundations of BPET, and the previously discussed transparency and disclosure issues, this research seeks to explore potential changes in voluntary disclosure practices by PFI private companies, SPVs, and their parent companies. It further aims to assess whether these voluntary disclosures contribute to greater transparency and public accountability in information dissemination, particularly under growing public scrutiny. Previous studies have identified concerns related to secrecy, private interests, and financial accountability in private-sector reporting of PFI, particularly in the context of SPVs (Acerete et al., 2019; Shaoul, 2021; Shaoul et al., 2010, 2012; Stafford & Stapleton, 2017, 2022). Shaoul et al. (2010) develop a disclosure checklist and analyze the financial reporting practices of the UK's first eight DBFMO road projects. Their findings indicate that SPVs' reporting was notably opaque, with none of the sampled SPVs providing complete disclosures of all relevant financial information. Drawing on these insights, this paper addresses the following three main research questions (RQs):

1. What significant changes, if any, have there been in the level of voluntary financial disclosure practices among SPVs involved in DBFMO road projects over the last two decades?
2. Is there any significant difference in the level of voluntary financial disclosure between SPVs that have been subjected to strong environmental criticism compared with those that have not?
3. To what extent do ultimate parent companies of SPVs provide voluntary financial disclosure and incorporate environmental provisions following the IAS 37, and how does this impact the disclosure practices of their SPVs?

Based on an extended financial disclosure checklist developed from the study by Shaoul et al. (2010) and the environmental provisions disclosure outlined in IAS 37, we conduct a content analysis of annual reports of thirteen SPVs and eight of their ultimate parent companies involved in DBFMO and toll road projects from 2004 to 2019, to identify any changes or differences between them. We focus on road projects because road infrastructure has notably increased worldwide (Ahmad et al., 2020) and now plays an essential role in delivering economic growth and social integration (Acerete et al., 2019). Additionally, some projects in the transport sector have become environmentally controversial (Malvestio et al., 2018). Among the thirteen sampled SPVs, the Factiva Database[4] reveals that three have received a higher amount of environmental criticism compared to the others.

Our findings show that not all desired financial items are fully disclosed; however, notable improvements in reporting assets and liabilities have been observed. Cash flow statements, contingent liabilities, and operating performance deductions are rarely disclosed. Despite these shortcomings, a positive trend toward transparency is observed. Additionally, SPVs that have faced stronger environmental criticism tend to disclose less financial information voluntarily. Moreover, ultimate owners of SPVs, whether publicly listed or privately limited, fail to provide adequate financial disclosure and environmental provisions, revealing the alignment of economic and political interests between parent companies and their SPVs. Our findings, driven by societal demands for transparency, highlight the significant concerns regarding the volume of published data by private companies and raise questions about the extent of their transparency and public accountability. This comprehensive approach improves our understanding of the dynamic relationships between voluntary disclosures of SPVs and their parent companies. Our findings are informative for future research in this area as they highlight the significance of how parent companies in PPPs relationships can remotely control the amount of information disclosed in the accounts of their SPVs. The results are also important for policymakers as they offer insights into the complex relationship between parent companies and their SPVs, especially as environmental financial disclosures are increasingly demanded and scrutinized by stakeholders and regulators.

The structure of this paper is as follows: Section "Background and Literature review" presents background information on SPVs and reviews the literature concerning their transparency, financial, and environmental accountability issues. Section "Bourgeois political economy theory (BPET)" delves into the theoretical framework, highlighting the impact of public pressure and management's influence on the disclosure practices of companies. Section "Research design" outlines the research design employed.

Section "Findings" discusses the analysis and the empirical findings. Finally, Section "Discussion and conclusion" concludes by discussing findings, implications, limitations, and future research avenues.

Background and literature review

Special purpose vehicles in PFI

Figure 1 shows the operating structure of a PFI project and its complex governance (NAO, 2018, p. 7). It shows the flow of agreements and payments between various parties involved in a PFI project. The public procuring authority enters into a contractual agreement with an SPV, which

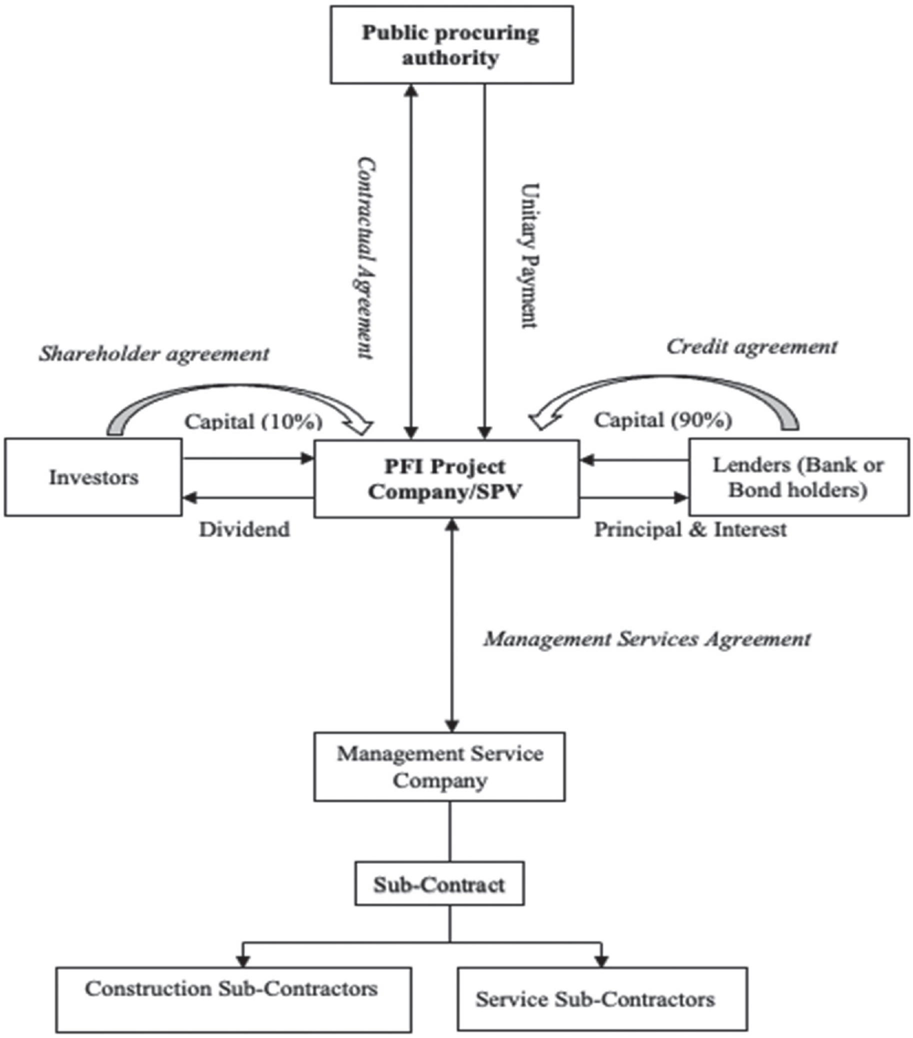

Figure 1. The UK's PFI operating structure. *Source*: NAO (2018, p. 7)

in turn has agreements with investors, lenders, a management service company, and subcontractors for services and construction. The payments flow from the public authority to the SPV as unitary payments, which are then distributed as dividends and repayments of principal and interest to investors and lenders, respectively. The SPV also pays for management and subcontracting services as part of the project's operational expenses. SPVs' ultimate parent companies, involved as equity holders, operate more than one PFI project.

Transparency and accountability in PFI reporting

Information transparency is conceptualized based on the following criteria: the quality and quantity of the information; a linear information flow that meets stakeholders' needs; and credible, timely, understandable, reliable, predictable, and observable disclosed information (Albu & Flyverbom, 2019, pp. 273–276). Andon (2012) questions the comprehensibility, comparability, and consistency of public and private sector reporting in PFI, leading to concerns about the value and completeness of public expenditure reporting. (Viana et al. 2023) reveal disclosure gaps in UK PFI public sector reports. Despite efforts to improve transparency in public sector reporting, such as the establishment of a public database for signed projects, gaps remain in disseminating information regarding the allocation of public funds and in providing contractual and performance details (House of Commons, 2018; National Audit Office, 2018). A limited disclosure and a lack of scrutiny in the financial reporting of the government's outsourcing activities could lead to the financial failures of PFI projects (ICO, 2019; PAC, 2018). For example, inadequate oversight in service contracts can undermine infrastructure project finances, as evidenced by the collapses of Carillion and Interserve (Alkaraan & Floyd, 2020; Eckersley & Ferry, 2020).

Studies show that current legal and regulatory requirements for disclosure among private limited companies are weak (ICO, 2019) and less onerous compared to those for public limited companies (Minnis & Shroff, 2017). Consequently, most companies are unlikely to disclose more information unless they must do so (Dillard & Vinnari, 2019; Korca et al., 2021). Moreover, increased transparency does not necessarily translate into enhanced accountability, as the mass volume of raw data released often remains opaque and incomprehensible to the public, thereby limiting its effectiveness as a tool for holding public bodies accountable (Demirag et al., 2005; Ferry et al., 2015; Ferry & Murphy, 2018).

Research on the voluntary disclosure of private-sector reporting is limited (Michalski-Karl et al., 2009; Musawa et al., 2017). This paper examines the transparency in the private-sector reporting of SPVs and their parent companies in the UK, based on their voluntary financial disclosures.

Limited transparency and accountability in SPVs' financial reporting

Accounting is an element of accountability, and accountability is closely associated with disclosure and transparency (Dillard & Vinnari, 2019). Accounting and financial reporting are primary sources of information designed to satisfy transparency and financial accountability needs (Shaoul et al., 2010, 2012; Stafford et al., 2010). Given that the public sector's PFI reporting provides only limited and aggregated information, the private sector's reporting becomes a significant source of detailed information for stakeholders, allowing them to monitor the use of public resources (Shaoul et al., 2012; Stafford et al., 2010; Stafford & Stapleton, 2017).

Accountability is the obligation of individuals or organizations to explain and justify their conduct or decisions (Hood, 2010, p. 989). It is also noted that accountability is not only a virtue that underpins the legitimacy and moral base of governance but also a mechanism for effective control and feedback within the system (Bovens, 2010). Robust governance mechanisms enhance trust, transparency, and communication in PPPs (Demirag et al., 2005; Xiong et al., 2019). Transparency, on the other hand, implies conducting business in a manner that allows decisions, regulations, and other relevant information to be observable by external parties (Hood, 2010). Hood's (2010) Egalitarian Perspective advocates for comprehensive transparency and views accountability as a collective responsibility to the community, considering these as essential for a democratic and equitable society. In this case, both the government and contracting parties are responsible for ensuring transparency and public accountability.

Transparency and accountability in PPPs are often undermined by complex governance structures, inadequate formalized mechanisms to hold private partners responsible, and limited real-time information sharing, which is important for enhancing stakeholders' trust (Mei & Zheng, 2024; Velotti et al., 2012). In this context, the hybrid nature of PPPs has significant implications for governance and accountability in public finances (Grossi et al., 2022; Stafford & Stapleton, 2022). Previous literature has drawn attention to the hybrid characteristics and governance challenges posed by SPVs, including complexity in governance structure and control over business transactions with related parties (Sainati et al., 2020). The PFI projects enable parent companies to invest in SPVs without direct involvement in such projects and conceal operations that fail to meet financial accountability and environmental standards. As wholly owned subsidiaries of their parent companies, SPVs are exempt from disclosing related parties' transactions and cash flow statements under sections

33 and 7 of FRS102. The disclosure exemption can be taken advantage of by companies. For example, studies by Schwarcz (2002) and Clark and Demirag (2002) show how Enron used SPVs to flow SPVs' money into Enron through SPV's complex governance network and limited the disclosure to conceal the actions of Enron's top executives who were using SPV's money for their interests. Moreover, Carillion used a complex network of SPVs to hide its financial difficulties (Demirag, 2018) by reporting only aggregated project data and following the collapse of the company the media have questioned who bears the burden of extra costs, who is responsible and accountable for public service failures, and who ultimately benefits from these arrangements (BBC, 2021; Gondard, 2019; inews, 2019, 2020). In a recent report, the media outlet "Conversations" highlighted that the failure to detect financial risks and allocate them to appropriate partners within these projects stems from a lack of relevant information and disclosures. (Ahmad et al., 2022). Similarly, early Dutch DBFM projects suffered from excessive risk transfer to private partners, but experience led to more balanced allocations and recognition of the need for shared risk management; nonetheless, risks remained unevenly distributed within consortia, with construction firms bearing the heaviest burden (Koppenjan et al., 2022). Due to these failures and financial scandals, there is a significant interest in understanding to what extent SPVs' financial reporting can deliver transparency and financial accountability for the DBFMO projects (Shaoul et al., 2010, 2012).

To summarize, the nature of the UK's PFI is shaped by economic, social, and political choices: the SPVs' complex governance structure, lack of oversight activities, regulatory exemptions, commercial confidentiality, and limitations on freedom of information (FOI). These factors allow SPVs to curtail their financial disclosure and fail to meet the information requirements of their stakeholders.

Environmentally controversial projects

A project can be controversial due to diverging interests of proponents and opponents underpinning a public debate, and controversial issues depend on the nature of the project (Helden et al., 2023). In the case of PFI, some large-scale projects may attract more public attention and receive public criticism due to their environmental impact on the neighborhood (Wolf & Dooren, 2017). Prior studies, including those by Healy & Serafeim (2020) and Korca et al. (2021), demonstrate the impact of stakeholder pressure and regulatory forces on the voluntary disclosure practices of target companies. Edgar et al. (2018) illustrate how, in the absence of strict reporting regulations in the private sector, ultimate parent companies of PFI projects use language and narrative statements in their annual reports to shape public perceptions of the PFI policy, often mitigating negative views. However, a study by Vigneau and Adams (2023) reveals discrepancies between reported sustainability practices and actual performance of public and private sector reporting, emphasizing the importance of data quality and transparency in organizational operations. Along with public opinion, media exposure also drives companies to disclose more financial information, primarily of an environmental nature (Paananen et al., 2021). Since the media can be an effective outlet through which to raise a community concern (Cormier et al., 2005), we examine media articles and governmental reports through the Factiva database to substantiate the SPVs that received environmental criticisms.

Disclosure of environmental provisions under IAS 37

Prompted by SPVs' environmental criticism, our third research question also explores the reporting practices of SPVs and their parent companies, particularly scrutinizing IAS 37's environmental liability provisions.

International Accounting Standards (2020) provides guidelines on accounting for reporting provisions, contingent liabilities, and contingent assets. A provision is a liability with uncertain timing or amount that is recognized when it is likely that cash or economic resources will be needed to settle the obligation. The provision is measured based on the amount the entity would rationally pay to settle the liability at the end of the reporting period and is discounted to its present value. Provisions are only recognized for obligations that arise from past events and are not dependent on the entity's future actions. Examples include penalties or cleanup costs for environmental damage (IAS 37:19). An event that does not create an obligation immediately could do so later due to changes in law or public statements made by the entity (IAS 37:21). Provisions cannot be recognized for future operating losses and restructuring cost provisions are only recognized when there is a constructive obligation.

Contingent liabilities are potential obligations that are not reported in the financial statements but must be disclosed in the notes unless the possibility of an outflow of economic resources is remote. Contingent assets are possible assets that may be confirmed by uncertain future events and must be disclosed when it is more likely than not that they will result in an inflow of benefits. (International Accounting Standards, 2020))

Bourgeois political economy theory (BPET)

Political economy theory (PET) is defined as the social, political and economic framework within which human life occurs (Gray et al., 1995). From a PET perspective, it posits that accounting reports are a proactive process, and that accounting information serves to maintain the current economic, social, and political structures that align with private interests (Cooper & Sherer, 1984; Guthrie & Parker, 1989). Gray et al. (1996) note that PET can be interpreted as either Classical or Bourgeois, with the primary difference between them being the level of analysis resolution and the emphasis placed on structural conflict within society. A classical PET, primarily associated with Marx, focuses on structural conflict, inequality, and the role of the state in its analysis, whereas BPET, primarily derived from J. S. Mill, views the economy as a domain where diverse interests coexist, and conflicts are manageable within established systems (Gray et al., 1995). According to Gray et al. (1996), BPET assumes existing power structures, wealth distribution, and social conditions as given, without analyzing how they were created or maintained. It focuses on interactions between different groups (e.g., companies and environmental pressure groups) within a pluralistic society, making it particularly useful for explaining CSR practices in contexts where CSR is voluntary and non-mandatory. In contrast, Classical PET provides deeper insights into how systemic inequalities are generated and maintained by the capitalist system. The authors note that classical PET is particularly insightful when analyzing mandatory disclosure rules, interpreting these as the state acting in the interests of disadvantaged groups to maintain the legitimacy of capitalism (Gray et al., 1996).

In this study, we aim to analyze whether SPVs and their parent companies provide voluntary financial and environmental disclosures, specifically excluding the analysis of mandatory disclosures. With increasing concerns regarding the transparency and accountability of voluntary disclosures by organizational management from a social accountability perspective, as noted by Gray et al. (1996), BPET provides a useful framework for examining potential changes in the voluntary financial disclosures and

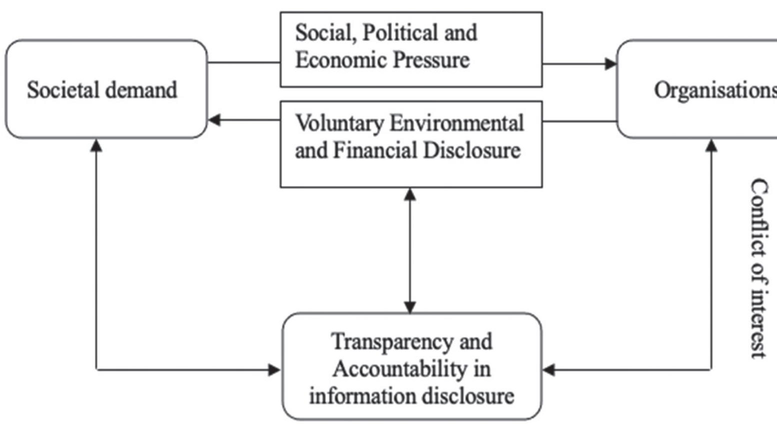

Figure 2. Impact of societal forces on organizational disclosure: a BPET perspective. *Source*: Adapted from Gray, 1988; Gray et al., 1996; Van Staden, 2003.

environmental provisions of our case studies—SPVs and their parent companies—shaped by societal pressures and the contributions of these private companies to transparency and accountability in response to public demand (Figure 2).

This study does not empirically test the hypothesis that external pressures are associated with the quantity of desirable financial disclosure, nor does it assess the impact of public pressure on voluntary disclosure practices in SPVs and their ultimate parent companies. However, the study critically examines the contextual background of SPVs and their ultimate parent companies to enhance the understanding of disclosure practices and the influence of the complex governance structure of PFI. By applying BPET, we investigate the potential changes in voluntary financial disclosure and environmental provisions influenced by society's demands.

Research design

Sample selection

In the UK's PFI road sector, Highways England manages the most projects, 13 out of 32, with the highest capital value, accounting for 41%, compared to Scottish and Welsh authorities (see Table 1; HM Treasury & IPA, 2019).

Table 1. The UK's PFI Road Projects Procured by Highway England.

Project name	Private consortium (SPVs)	Contract signed	Capital value (£m)	Contract period	Estimated total payment (£m)
A30/A35 Exeter to Bere Regis	Connect A30/A35 Ltd	1/7/96	75.00	30	568.80
A50/A564 Stoke to Derby Link	Connect A50 Ltd	1/5/96	21.00	30	354.90
M1-A1 Lofthouse to Bramham Link	Connect M1-A1 Ltd	1/3/96	214.00	30	1118.00
M40 Denham to Warwick	UK Highways (M40) Ltd	1/9/96	65.00	30	1020.80
A1(M) Alconbury to Peterborough	Road Management Services (Peterborough) Ltd	1/2/96	128.00	30	705.70
A417/A419 Swindon to Gloucester	Road Management Services (Gloucester) Ltd	1/2/96	110.00	30	506.80
A19 Dishforth to Tyne Tunnel DBFO	Autolink Concessionaires (A19) Ltd	1/10/96	29.00	30	946.30
A69 Carlisle to Newcastle	Road Link (A69) Ltd	1/1/96	9.00	30	316.40
M25 Orbital	Connect Plus (M25) Ltd	20/5/09	982.90	30	10214.00
M6 Toll	Midland Expressway Ltd	1/2/92	485.00	46	Off-balance sheet
A1 Darrington to Dishforth	Road Management Services (Darrington) Limited	1/2/03	245.00	33	1052.70
A249 Stockbury to Sheerness	Sheppey Route Limited	1/2/04	73.00	30	357.50
National Roads Telecommunications Services	Genesys Telecommunications Limited (dissolved in 2018)	1/9/05	93.70	13	548.50

Source: Gov.UK (2019).

Following Yin's (2018) suggestion to use cases based on theoretical considerations and research questions, as in the case of this study, we selected these thirteen sampled SPVs to address RQ1. Although twelve SPVs are in operation, one SPV was liquidated in July 2022 (Companies House, 2022). Using the articles and reports obtained from the Factiva Database, we identified three out of the thirteen sampled SPVs that received more environmental criticisms than the others, to address RQ2. We chose not to use social media sources because firms are more likely to react to media news (Paananen et al., 2021). For each sampled project, we filtered the articles by using the keywords "environmental impact," "pollution," and "congestion" to identify environmental issues. We identified six, five, and four sources, respectively, regarding environmental criticism of the following three projects: the A417/419, M25, and M6. The analysis shows that the missing link on the A417/419 has been criticized by the public due to social and environmental effects, including road safety, congestion, air pollution, and noise problems (Ames, 2019; Gloucestershire Local Enterprise Partnership and Gloucestershire County Council (GLEP & GCC), 2014; Krayem-Wood, 2019, 2020). Although the government approved to upgrade of the link in 2020, citizens remain concerned about the safety of road users and the environmental impact caused by increased traffic volume and noise pollution (A419 Action Group, 2019; Gov.UK, 2022). Secondly, the M25 project improvement scheme has sparked controversy due to its financial, environmental, and social impacts, with residents submitting a petition regarding noise and air pollution as well as heritage tree-cutting (Horgan, 2021; Parallel Parliament, 2021). Despite ongoing debates on how to handle noise pollution, the plan to improve Junction 28 on the M25 has been delayed until May due to concerns about carbon emissions (Meyler, 2022). Lastly, the M6 project has been criticized for its financial problems and negative environmental impact, including congestion, air pollution, and carbon emissions (BBC, 2017). Even with efforts to mitigate these impacts, reports suggest that the road continues to have negative environmental effects (Financial Review, 2019). Additionally, a new proposed link road, the M6/M25, is expected to impact historical sites and residential areas (Smith, 2022). To address RQ3, we identify the eight ultimate parent companies of all sampled SPVs to examine the desirable financial disclosure and environmental liability provisions using their annual report as of 2019.

Data collection and analysis

The archival research strategy suits this study as it enables the analysis of changes over time (Saunders et al., 2009, p. 150). Content analysis is a systematic and objective method of analyzing available words or text to gain insights into specific events (Krippendorff, 2012), commonly used in accounting research to analyze financial disclosure (Lock & Seele, 2015). Primary data were collected from the annual reports of thirteen sampled SPVs and their parent companies (2004–2019) via manual content analysis.

We employ an expanded disclosure checklist for identifying changes in voluntary financial disclosure in SPVs and how the extent of disclosure is measured (Table 2). When an SPV provides detailed financial information, it is classified under "full disclosure (FD)". Alternatively, limited information with fewer explanations is classed as a "partial disclosure (PD)". When the SPV does not provide the information at all, the desirable disclosure is identified as non-disclosed (ND). Based on the Factiva Database, the sampled SPVs receiving environmental criticisms are assigned as "1", whereas the sampled SPVs not receiving environmental criticisms are given as "0". To ensure intercoder reliability, the authors conducted multiple independent rounds of coding and subsequently compared and discussed the results to enhance the consistency, reliability, and validity of the findings (O'Connor & Joffe, 2020). To assess the environmental provisions of both SPVs and their parent companies, we used the disclosure checklist from International Accounting Standards (2020, p. A1492). The first five items pertain to explicit amounts that do not necessitate the collector's judgment, whereas the remaining three items are more

Table 2. Measuring the Extent of Financial Disclosure: A Classification of Reporting.

Desirable disclosure items	FD	PD	ND
Operating cost	A breakdown of the cost	Only operating cost	ND
Availability payment	A breakdown of unitary charges	Total payment without breaking down	ND
Service element	A breakdown of unitary charges	Total payment without breaking down	ND
Performance deduction	Performance assessments, penalty points, payment deductions	Disclosed, but lack of complete information	ND
Finance cost	Detailed transactions with all related parties or finance cost account	Disclosed transactions with a few related parties, but not all	ND
The project's capital cost	A breakdown of initial and additional capital cost	Only capital cost	ND
Value of assets and liabilities	Provide detailed explanations and justifications for tangible and intangible assets	Disclosed as either tangible or intangible without detailed information	ND
Contingencies	Possible contingencies and values were provided in detail	Just a short note for future liabilities without quantifiable information	ND
Ring-fencing	Reserved money for future maintenance services	Just a short note without a specified amount	ND
Related parties' transactions	Detailed transactions: service charges, inter companies' loans with all related parties under a project	Disclosed limited transactions without information about inter companies' transactions	ND
Cash flow statement	Cash flow statement	Available cash without the statement	ND

Source: Adapted from Shaoul et al. (2010).

contentious and require the collector's discretion. Therefore, when choosing the disclosure checklist for this study, only the first five disclosure items were considered for analyzing the environmental liability provisions (Table 3).

Regarding comparative analysis, which is further explained in Section "Findings", we first examine the number of sampled SPVs that voluntarily report desirable financial disclosure items and compare the findings between 2004 and 2019 (Tables 4 and 5). Subsequently, we compare the findings of Shaoul et al. from 2004 with our findings from 2019 (Tables 6 and 7) (RQ1). Following that, we identify three sampled SPVs that have faced environmental criticism, analyze the disclosed information, and assess the extent

Table 3. Disclosure Checklist for Environmental Provisions.

Item 1	IAS 37: 84 (a)	The carrying amount at the beginning and end of the period
Item 2	IAS 37:84 (b)	Additional provisions made in the period, including increases to existing provisions
Item 3	IAS 37: 84 (c)	Amounts used (i.e. incurred and charged against the provision) during the period
Item 4	IAS 37: 84 (d)	Unused amounts reversed during the period; and
Item 5	IAS 37: 84 (e)	The increase during the period in the discounted amount arising from the passage of time and the effect of any change in the discount rate

Source: International Accounting Standards (2020, pp. A1492–1493).

Table 4. A Comparison of Full Disclosure by Thirteen SPVs (2004 vs. 2019).

Desirable financial disclosure lists	Extent of disclosure	No. of SPVs disclosing the items in 2004 ($n = 13$)	No. of SPVs disclosing the items in 2019 ($n = 13$)
Value of assets and liabilities	FD	3 (23.1%)	3 (23.1%)
Cash flow statement	FD	4 (30.8%)	2 (15.4%)
Breakdown of operating cost	FD	1 (7.7%)	1 (7.7%)
Availability payment	FD	1 (7.7%)	1 (7.7%)
Service element	FD	1 (7.7%)	1 (7.7%)
Finance cost	FD	1 (7.7%)	1 (7.7%)
Contingencies	FD	1 (7.7%)	1 (7.7%)
Ring-fencing	FD	1 (7.7%)	1 (7.7%)
Performance deduction	FD	0 (0%)	0 (0%)
Capital cost	FD	0 (0%)	0 (0%)
Related parties' transactions	FD	0 (0%)	0 (0%)

Table 5. A Comparison of Partial Disclosure by Thirteen SPVs (2004 vs. 2019).

Desirable financial disclosure lists	Extent of disclosure	No. of SPVs disclosing the items in 2004 ($n = 13$)	No. of SPVs disclosing the items in 2019 ($n = 13$)
Breakdown of operating cost	PD	11 (84.6%)	11 (84.6%)
Finance cost	PD	12 (92.3%)	12 (92.3%)
Capital cost	PD	12 (92.3%)	12 (92.3%)
Value of assets and liabilities	PD	10 (76.9%)	10 (76.9%)
Related parties' transactions	PD	5 (38.5%)	8 (61.5%)
Contingencies	PD	0 (0%)	4 (30.8%)
Availability payment	PD	0 (0%)	0 (0%)
Service element	PD	0 (0%)	0 (0%)
Performance deduction	PD	0 (0%)	0 (0%)
Ring-fencing	PD	0 (0%)	0 (0%)
Cash flow statement	PD	0 (0%)	0 (0%)

Table 6. A Comparison of Full Disclosure (Findings in 2004 by Shaoul et al. vs. Current Findings in 2019).

Desirable disclosure lists	Extent of disclosure	No. of SPVs disclosing the items in 2004 according to Shaoul et al. ($n = 8$)	No. of SPVs disclosing the items in 2019 according to current findings ($n = 8$)
Value of assets and liabilities	FD	0 (0%)	3 (37.5%)
Contingencies	FD	2 (25%)	0 (0%)
Availability element	FD	0 (0%)	1 (12.5%)
Service element	FD	0 (0%)	1 (12.5%)
Finance cost	FD	0 (0%)	1 (12.5%)
Ring-fencing	FD	0 (0%)	1 (12.5%)
Cash flow statement	FD	0 (0%)	1 (12.5%)
Breakdown of operating cost	FD	0 (0%)	0 (0%)
Performance deduction	FD	0 (0%)	0 (0%)
Capital cost	FD	0 (0%)	0 (0%)
Related parties' transactions	FD	0 (0%)	0 (0%)

Table 7. A Comparison of Partial Disclosure (Findings in 2004 by Shaoul et al. vs. Current Findings in 2019).

Desirable disclosure lists	Extent of disclosure	No. of SPVs disclosing the items in 2004 according to Shaoul et al. ($n = 8$)	No. of SPVs disclosing the items in 2019 according to current findings ($n = 8$)
Breakdown of operating cost	PD	8 (100%)	8 (100%)
Finance cost	PD	8 (100%)	7 (87.5%)
Capital cost	PD	8 (100%)	8 (100%)
Value of assets and liabilities	PD	8 (100%)	5 (62.5%)
Contingencies	PD	0 (0%)	4 (50%)
Related parties' transactions	PD	0 (0%)	4 (50%)
Availability element	PD	0 (0%)	0 (0%)
Service element	PD	0 (0%)	0 (0%)
Performance deduction	PD	0 (0%)	0 (0%)
Ring-fencing	PD	0 (0%)	0 (0%)
Cash flow statement	PD	0 (0%)	0 (0%)

Table 8. A Comparison of the Full Disclosure in 2019 (Criticized vs. Non-Criticized SPVs).

Desirable disclosure lists	Extent of disclosure	Disclosure by number of SPVs received environmental criticisms ($n = 3$)	Disclosure by number of non-criticized SPVs ($n = 10$)
Breakdown of operating cost	FD	1 (33.33%)	0 (0%)
Contingencies	FD	1 (33.33%)	0 (0%)
Availability payment	FD	0 (0%)	1 (10%)
Service element	FD	0 (0%)	1 (10%)
Finance cost	FD	0 (0%)	1 (10%)
Value of assets and liabilities	FD	0 (0%)	3 (30%)
Ring-fencing	FD	0 (0%)	1 (10%)
Cash flow statement	FD	0 (0%)	2 (20%)
Performance deduction	FD	0 (0%)	0 (0%)
Capital cost	FD	0 (0%)	0 (0%)
Related parties' transactions	FD	0 (0%)	0 (0%)

of their disclosure. We then compare these findings with those of the ten SPVs that have not received environmental criticism (Tables 8 and 9) (RQ2). Lastly, we explore the voluntary financial disclosure and environmental liability provisions made by the ultimate parent companies of all sampled SPVs (RQ3).

Table 9. A Comparison of the Partial Disclosure in 2019 (Criticized vs. Non-Criticized SPVs).

Desirable disclosure lists	Extent of disclosure	Disclosure by number of SPVs received environmental criticisms ($n=3$)	Disclosure by number of non-criticized SPVs ($n=10$)
Value of assets and liabilities	PD	3 (100%)	9 (90%)
Finance cost	PD	3 (100%)	9 (90%)
Capital cost	PD	2 (66.67%)	10 (100%)
Breakdown of operating cost	PD	2 (66.67%)	9 (90%)
Contingencies	PD	1 (33.33%)	3 (30%)
Related parties' transactions	PD	1 (33.33%)	7 (70%)
Availability payment	PD	0 (0%)	0 (0%)
Service element	PD	0 (0%)	0 (0%)
Performance deduction	PD	0 (0%)	0 (0%)
Ring-fencing	PD	0 (0%)	0 (0%)
Cash flow statement	PD	0 (0%)	0 (0%)

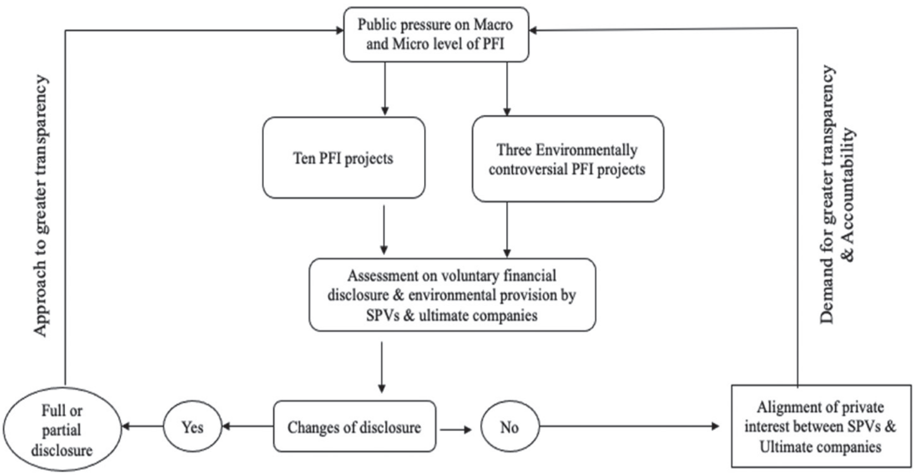

Figure 3. Conceptual framework. *Source*: Adapted from Alkaraan and Floyd (2020); Shaoul et al. (2010)

A conceptual framework for SPVs and parent companies' transparency

The conceptual framework of the research approach has been developed based on prior studies and the research aim (Figure 3). Informed by BPET's assumptions about pluralistic societal dynamics, the framework illustrates how public pressure—at both macro (societal) and micro (project-specific) levels—acts as a key external driver influencing voluntary financial disclosure and environmental provision practices among SPVs and their parent companies.

It shows how SPVs and their parent companies may respond to external scrutiny not through regulatory compliance but through selective voluntary disclosure aimed at preserving legitimacy. The flowchart distinguishes between SPVs involved in PFI projects and those subject to heightened environmental criticism. The assessment outcomes—categorized as full, partial, or limited disclosure—reflect the extent to which organizations align their practices with societal expectations for transparency and accountability. A higher level of voluntary disclosure is interpreted as an organizational response to public pressure and perceived threats to legitimacy. Conversely, limited disclosure may signal strategic opacity and the alignment of private interests between SPVs and parent companies, reinforcing BPET's view that accounting practices serve to maintain prevailing economic structures. This framework, therefore, operationalizes BPET as a lens for understanding how disclosure practices evolve under varying levels of societal demand and offers a structured approach for interpreting the empirical findings.

Findings

Based on the conceptual framework (Figure 3) and BPET's emphasis on the role of societal pressures in shaping voluntary disclosure behavior, the empirical analysis adopts a structured comparative approach across three research questions. First, the study examines the extent to which the sampled SPVs voluntarily disclosed desirable financial items, comparing changes over time between 2004 and 2019 (Tables 4 and 5). This analysis reflects how macro- and micro-level pressures can drive greater transparency. In addition, the 2019 findings are compared with those of Shaoul et al. (2004) to assess longitudinal shifts in reporting practices (Tables 6 and 7) (RQ1). Second, drawing on the framework's distinction between general and environmentally controversial SPVs, the study identifies three SPVs that faced environmental criticism and compares their disclosure practices with those of the remaining ten SPVs (Tables 8 and 9) (RQ2). This comparison explores how varying levels of scrutiny influence selective transparency, consistent with BPET's view that disclosure serves as a tool for preserving legitimacy and public accountability. Finally, the analysis evaluates the voluntary financial disclosures and environmental provisions reported by the ultimate parent companies of all sampled SPVs (RQ3). This step considers whether limited or selective disclosure reflects an alignment of private interests between SPVs and their parent companies, rather than a commitment to public accountability. Together, these analyses provide a nuanced understanding of how legitimacy pressures and private interests shape governance practices and, more importantly, disclosure practices within PPPs structures.

Voluntary financial disclosure by the SPVs (2004 vs. 2019)

Tables 4 and 5 compare the findings of thirteen SPVs from two different years (2004 vs. 2019) to determine whether any significant changes occurred in the number of SPVs reporting each disclosure.

Table 4 presents the comparisons of the numbers of SPVs fully reported for each disclosure variable (2004 versus 2019). The value of assets and liabilities was the most reported full disclosure, 23.1% of SPVs. In contrast, cash flow statements were the second least reported item by 15.4% of SPVs, and a breakdown of operation cost, availability element, service element, finance cost, contingencies, and ring-fencing were the least reported full disclosures, 7.7%.

Table 5 compares the number of partially reported SPVs for each disclosure variable (2004 versus 2019). The breakdown of operating cost, finance cost, and capital cost was the most reported partial disclosure, 84.6% of SPVs and 92.3% of SPVs, whereas contingencies were the least reported partial disclosure, 30.8% of SPVs. Although contingencies were one of the least reported full disclosures by SPVs from 2004 to 2018, four SPVs partially disclosed COVID-19-related contingencies in 2019. This made a statistically significant difference in the average number of partially disclosed SPVs between 2004 and 2019. Interestingly, none of the SPVs addressed performance deductions in their disclosures.

In summary, asset and liability values were extensively reported by all sampled SPVs, while disclosures of important operating performance measures such as availability, service element, and ring-fencing were limited. Despite more disclosures in 2019, none of the sampled SPVs provided all the necessary disclosures for transparency.

A comparison of disclosure (findings by Shaoul et al. in 2004 vs. current findings in 2019)

A comparison of full and partial disclosures was made between Shaoul et al.'s findings in 2004 and our 2019 findings to identify the changes in desirable disclosures reported by the eight SPVs.

First, Table 6 compares the number of SPVs fully reported for each desirable disclosure. In contrast to Shaoul et al.'s finding in 2004, contingencies were no longer fully reported by eight SPVs in 2019. Despite the minimal variation, the value of assets and liabilities emerged as the most frequently reported full disclosure in 2019, with over a quarter of SPVs (38%) disclosing it. This contrasts with Shaoul et al.'s study in 2004, which found that none of the SPVs fully disclosed that item. From a BPET perspective, such selective changes can be interpreted as a strategic response to external legitimacy pressures, enabling SPVs to demonstrate transparency while preserving existing power structures and avoiding deeper changes.

The number of SPVs that have partially disclosed each desirable disclosure is compared in Table 7. Statistically significant changes were observed in the average number of SPVs partially disclosing contingencies and related parties' transactions between 2004 and 2019. In 2019, 50% of SPVs disclosed these items, whereas, in contrast, as shown by Shaoul et al., the disclosure rate was 0%. In comparison to Shaoul et al.'s findings in 2004, the finance costs and the value of assets and liabilities were no longer identified as the most frequently reported partial disclosures in 2019. Specifically, all eight SPVs (100%) partially reported these items in 2004, whereas only 88% and 63% of SPVs partially disclosed them in 2019.

Overall, the number of SPVs fully and partially disclosed for desirable disclosures was higher in 2019 than the figure shown in Shaoul et al.'s findings in 2004. Our findings align with those of Shaoul et al. in that none of the SPVs in our study fully disclosed all desirable financial items in 2019. It would seem that to maintain their legitimacy and public accountability, the SPVs are voluntarily disclosing general assets and liabilities, without the detailed disclosure of what Shaoul et al call "desirable measures of performance".

A comparison of voluntary financial disclosure in 2019 (environmentally criticized vs. non-criticized SPVs)

RQ 2 asks whether criticized SPVs that received environmental criticism disclose voluntary financial information differently from non-criticized SPVs that have not faced such criticism. Toward addressing RQ 2, Tables 8 and 9 compare the disclosure of three criticized SPVs ($n = 3$) with ten non-criticized SPVs ($n = 10$).

Table 8 shows that just two disclosures—the breakdown of operation cost and contingencies—were fully reported by 33% of criticized SPVs. All criticized SPVs did not fully report the remaining desirable disclosures. On the other hand, the value of assets and liabilities was the most reported full disclosure, disclosed by 30% of non-criticized SPVs. Contrary to non-criticized SPVs, the criticized SPV failed to disclose the value of assets and liabilities, cost of finance and related parties' transactions. Interestingly, we observed a discrepancy in the reporting of desirable financial items between a criticized SPV and another non-criticized SPV belonging to the same ultimate parent company. The criticized SPV did not disclose finance costs, asset values, liabilities, and related parties' transactions, in contrast to the non-criticized SPV. The discrepancy may stem not only from management's reporting decisions but also from the influence of different auditing teams, as the SPVs' financial reports are subject to audits by various firms. These preliminary findings point to the need for in-depth research to identify additional variables that may impact the SPVs' disclosure decisions by the same parent company. From a BPET perspective, these patterns may indicate that SPVs and their parent companies use voluntary disclosures selectively to manage external legitimacy, especially when under public scrutiny. Transparency, in this context, appears more reactive to societal pressures than driven by a genuine commitment to accountability.

While both groups showed fewer numbers of SPVs fully disclosing desirable items, Table 9 indicates a rise in the number of SPVs partially disclosing desirable items. The finance cost and value of assets and liabilities were the most reported partial disclosures by all three involved SPVs (100%), whereas the operating and capital costs were the most reported partial disclosures by all non-involved SPVs (90 and 100%). In both groups, contingencies were the least reported partial disclosure, disclosed by just 33% of involved SPVs and 30% of non-involved SPVs. Another infrequently reported partial disclosure was related parties' transactions reported by 33% of criticized SPVs and 70% of non-criticized SPVs. In summary, more environmentally criticized SPVs tend to disclose less or only partially disclose desirable financial information.

SPVs and ultimate parent companies: financial disclosure and environmental provisions

According to analyzed annual reports and information from Companies House (2022), SPVs are often co-owned by multiple parent companies focused on private equity, infrastructure, and debt management. Some SPVs' parent companies are shells, without staff, controlled by central HQs, raising capital but outsourcing construction.

Regarding the desirable financial disclosure of the eight ultimate parent companies of sampled SPVs, seven of these ultimate parent companies provided an aggregate amount in their consolidated financial statements as of 2019, excluding performance deduction. However, the financial statement of a private limited company was not publicly available. Among the seven ultimate parent companies scrutinized, the three publicly listed companies surpassed their private limited counterparts in providing more comprehensive and transparent financial disclosures: ring-fencing, related parties transactions and cash flow statements. The study revealed that two out of four private limited companies did not disclose cash flow statements and related parties' transactions by utilizing the disclosure exemption of FRS 102, while three publicly listed companies disclosed consolidated cash flow statements. None of the SPVs and their ultimate parent companies (both publicly listed and private) have recognized provisions for environmental liabilities under IAS 37. From a BPET perspective, these patterns may reflect how private actors strategically navigate regulatory flexibility, using disclosure exemptions and selective reporting to maintain legitimacy while avoiding deeper accountability for environmental or financial risks.

Discussion and conclusion

Over recent years, public concern over the transparency and accountability of PFI companies' disclosure has increased, particularly about their global economic, social, environmental, and political impacts (Caperchione et al., 2017; Eckersley & Ferry, 2020; Siemiatycki et al., 2022). The economic and environmental significance of SPVs under PFI is multifaceted. Economically, SPVs are subsidiaries of private or publicly listed companies, playing a crucial role in leveraging private capital for large-scale public infrastructure projects while placing minimal immediate fiscal burden on the government. Environmentally, the disclosures of SPVs and their parent companies provide insight into their compliance with environmental standards and sustainable practices, which have long-term implications for community well-being. Although the public may not demand detailed transactions of SPVs, such disclosures help prevent SPVs from obscuring inefficiencies behind the aggregated figures. Such information is essential for oversight bodies, media, and researchers to evaluate value for money and the ethical allocation of public funds. Through the lens of BPET, this paper investigates (a) SPVs' changes in voluntary financial disclosures for transparency and accountability; (b) whether SPVs with environmentally criticized projects provide more financial information; and (c) the reporting of environmental provisions by SPVs and their parent companies under IAS 37.

Regarding RQ1, our findings show that none of the sampled SPVs covered the most desirable disclosures from 2004 to 2019. While SPVs frequently provide full disclosure on the value of assets and liabilities, they are not forthcoming about detailed transactions with related parties. Moreover, 90% of the sampled SPVs restrict information regarding reserve funds for maintenance and cash flow. This opacity impairs financial accountability and hinders accurate assessments of project viability. Additionally, the non-disclosure of contingencies by most SPVs makes it difficult to determine future liability risks. While RQ1 highlights the general lack of transparency in SPVs' disclosures, RQ2 delves deeper into how external criticism, particularly environmental scrutiny, influences these disclosure practices. By comparing environmentally criticized SPVs with those less scrutinized, we explore how external pressure shapes voluntary financial disclosures. Based on data from the Factiva Database, the findings show that environmentally criticized SPVs have fewer voluntary financial disclosures compared to non-criticized SPVs. Both groups have low rates of full disclosure. Only one criticized SPV fully reports the breakdown of operating costs and contingencies. However, none of the criticized SPVs fully or partially disclose the availability element, service element, ring-fencing, and cash flow statements. Only 30% of non-criticized SPVs fully disclose the value of assets and liabilities, suggesting that environmental criticism is likely to have a negative impact on voluntary financial disclosure among the sampled SPVs. While RQ2 highlights the role of environmental criticisms in shaping SPV disclosure practices, RQ3 broadens the scope to examine how parent companies control the transparency of their SPVs, especially regarding environmental and financial risks. The findings indicate that all parent companies of SPVs report consolidated amounts of desirable financial disclosure in their group accounts. However, we identify that both publicly listed and private limited parent companies fail to report potential environmental risks and associated liabilities. These transparency gaps in reporting practices, particularly concerning the accuracy of performance metrics, materiality, and completeness, raise concerns over stakeholder trust as the theory suggests.

These findings contribute important insights to public administration, particularly in relation to public accountability, transparency in public management, and the politics of performance reporting. Specifically, the study identifies three key mechanisms: (1) opacity as a legitimacy tactic employed by parent companies to manage reputational risks; (2) selective transparency in response to heightened public scrutiny in environmentally controversial cases; and (3) institutional shielding, where SPVs act as intermediaries that reduce direct accountability for parent firms. While some progress has been made in the extent of financial disclosures over time, key information—such as performance deductions, related party transactions, and environmental provisions—remains consistently underreported or omitted. This lack of transparency undermines the ability of the public and oversight institutions to hold SPVs accountable. The inconsistencies in reporting, even among SPVs owned by the same parent company, suggest that disclosure practices are driven not solely by regulatory compliance, but also by external pressures and strategic considerations. Such variability highlights the political dimension of performance reporting, where selective disclosure may serve to manage external perceptions rather than to ensure openness. These patterns reflect a broader challenge in hybrid governance models, where private actors assume public responsibilities without equivalent public scrutiny or alignment with the public interest. Inadequate disclosure not only limits financial oversight but also impairs public understanding of how risks and responsibilities are distributed. Strengthening disclosure standards and aligning them with public sector accountability norms is essential for enhancing transparency and restoring trust in the governance of infrastructure projects.

From a BPET perspective, the reluctance of SPVs to fully disclose information reflects a broader strategic effort to mitigate reputational risks and avoid financial and environmental liabilities. Across different contexts—whether in non-criticized SPVs or those facing environmental scrutiny—this limited transparency can be viewed as a defensive mechanism to avoid stakeholders' concerns. The extent of external pressure, including environmental criticism, likely influences how much information is disclosed. The findings show how corporations may underreport environmental risks or downplay operating liabilities to shield themselves from regulatory action and public criticism, aligning with broader capitalist tendencies of prioritizing financial interests over social accountability (Gray et al., 1996). Such practices reflect the inherent conflict between capital accumulation and social responsibility, as environmental risks are externalized while financial gains are privatized—not only within parent companies but also in their subsidiaries.

Theoretically, this study contributes to understanding how corporate interests maintain control over the capital by selectively disclosing information to minimize risks and avoid regulatory scrutiny. Moreover, the results highlight the unequal power dynamics between parent companies and their SPVs, where parent companies can shield themselves from reputational or financial liabilities by managing the transparency of their subsidiaries' disclosures. Furthermore, the study contributes to the theory of capitalist functioning by illustrating the imbalance between profit maximization and social and environmental accountability. The underreporting of environmental risks reinforces the notion that PPPs companies may externalize social and environmental liabilities to protect their financial interests, as suggested by the BPET.

Practically, this research contributes to the urgent need for stronger regulatory frameworks to enforce transparency and accountability in financial disclosures, especially for SPVs and their parent companies involved in public infrastructure projects. By revealing gaps in the financial and environmental reporting practices of SPVs, our findings highlight the importance of stricter reporting standards to build resilient, sustainable infrastructure (SDG 9) and enhance public trust in institutions (SDG 16). For policymakers, the study offers insights into disclosure practices within the complex PPPs network, where limited voluntary disclosure undermines stakeholder trust as demand for transparency on environmental and social issues grows. The findings suggest that without regulatory intervention and stronger governance from parent companies, progress in voluntary disclosures may remain limited. Further collaboration with local communities and environmental agencies could help strengthen pressure on SPVs to disclose more comprehensive environmental information. Strengthening these accountability mechanisms is essential for effective public-private collaboration, ensuring that partnerships prioritize transparency to meet shared sustainability goals (SDG 17). Regulators may consider mandating standardized disclosure lists—aligned with international frameworks such as IFRS or SASB—requiring SPVs to report publicly on both financial and environmental performance. Periodic audits by independent third parties could further strengthen compliance and build stakeholder trust and meet their expectations. To enhance parent company accountability, regulators might also require joint sign-off on SPV disclosures or clearer lines of responsibility in reporting structures.

This need for regulatory oversight shows that government and regulatory bodies are primarily responsible for ensuring the financial viability and environmental sustainability of public infrastructure projects (Hood, 2010). The regulatory bodies—the UK's Financial Reporting Council (FRC) and the HM Treasury—may need to reassess the current accounting disclosure requirements for SPVs and parent companies to ensure proper transparency and accountability in the reporting of financial and non-financial information for public infrastructure projects. Furthermore, project procuring authorities and investors may implement oversight mechanisms to monitor the cash flow activities and performance of SPVs to identify risks and prevent future failures of PFI projects and other forms of public-private partnerships.

The study's limitations include its small sample size, limited focus on manual content analysis, and a lack of investigation into the impact of public pressure on the quality and quantity of information provided by SPVs and their parent companies. As this is the first study of its kind with a small sample size, its generalizability to the entire population is limited. Another limitation is the absence of direct stakeholder perspectives—such as those from government regulators, auditors, or SPV executives—which may limit deeper insight into underlying motivations and contextual factors. This highlights an important direction for future research, such as incorporating stakeholder interviews or surveys to explore, for example, why certain desirable information was not disclosed. These aspects remain open for future research. Moreover, the study also acknowledges the potential influence of unobserved confounding factors—such as media attention, project visibility, or political context—that may affect both environmental criticism and disclosure practices. While not directly accounted for in the analysis, recognizing these limitations adds transparency and highlights the need for future studies to further explore these dynamics. Additionally, the authors' subjectivity may have influenced the interpretation of the results.

For future research, a classical political economy theory approach could be valuable in assessing whether state-imposed restrictions on organizations will ensure that disclosures provide sufficient detail to meet the informational needs of stakeholders of SPVs and their parent companies, especially considering the upcoming 2025 CSRD practices. Another important research direction is to examine external pressures—such as economic factors, media, and social media—using a larger sample size and an extended study period to improve generalizability. This would help to better understand how these factors influence voluntary disclosure choices in hybrid organizations like SPVs and how such companies conceptualize disclosure transparency to enhance accountability (Albu & Flyverbom, 2019; Grossi et al., 2022; Stafford & Stapleton, 2022). Finally, managerial strategies, such as trust practices, in overseas ventures may contribute to the failure of a PFI contract, as demonstrated by Carillion's collapse (Demirag, 2018). While SPV accounts on their own may not reveal the clear financial difficulties of a parent company, a thorough analysis of the parent company's accounts, especially its international ventures, would likely provide greater insight into its financial state. The findings can be extended through comparisons of transparency and accountability in the disclosure practices of the private sector in other forms of PFI projects and across different countries. Understanding these dynamics is crucial for policymakers and regulators to devise more effective guidelines that enhance disclosure practices, thereby promoting increased transparency and accountability in SPVs and their parent companies.

Notes

1. This is also known as public-private partnerships (PPP), which are used to finance major capital investments (Broadbent & Laughlin, 1999). They are long-term contractual agreements between a public procuring authority and the private sector (HM Treasury & IPA, 2019). Other names are also used, such as P3 and P2, in various countries.
2. There have been many studies examining public sector accountability and value for money considerations. For example, see Alkaraan and Floyd (2020); Caperchione et al. (2017); Demirag et al. (2005); Viana et al. (2023). This paper, however, considers the under-explored area of private sector disclosure and accountability, in SPVs and their parent companies.
3. SPVs which are also known as PFI project companies are central in designing, building, financing, maintaining, and operating (DBFMO) projects and providing infrastructure and related services (House of Commons, 2018).
4. Factiva is one of the largest databases provided by Down Jones Reuters with a broad collection such as business and finance, journalism, PR and communications, data science and technology to political science and more. (Down Jones, 2022).

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Appendix III

Publication III

Phyu, H.T., & Demirag, I. (2026). Unpacking financial transparency and accountability in public-private partnerships. (Manuscript)

Unpacking financial transparency and accountability in public-private partnerships

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Abstract

This study examines Public–Private Partnerships (PPPs) experts' perceptions of voluntary financial and non-financial disclosures by Special Purpose Vehicles (SPVs) in the UK. The findings show that disclosure practices are largely controlled by parent companies, limiting SPVs' reporting autonomy, while public and media influence remains marginal. Investors and lenders increasingly expect stronger environmental reporting in PPPs. Experts express strong support for environmental accountability, although responsibility is frequently transferred to the parent-company level. The study provides expert-based evidence on SPV transparency and highlights the dominant role of parent companies in shaping disclosure behaviour.

Impact

The authors inform policymakers, PPPs regulators, auditors, and contracting authorities seeking to strengthen accountability and transparency in PPPs. The findings highlight the need for clearer and more standardised disclosure requirements for both SPVs and parent companies, especially for financial statements, cash-flow reporting, and environmental accountability. By providing expert-informed empirical evidence rather than document-based analysis, the study contributes to ongoing policy debates on governance design, assurance mechanisms, and the role of parent companies in ensuring PPPs' financial transparency.

Keywords – Public-private-partnerships, PPPs, Special Purpose Vehicles, Voluntary disclosure, Financial Transparency
Paper type – Research paper

1. Introduction

Voluntary financial and non-financial disclosures are essential for enhancing transparency and accountability, particularly in areas such as sustainability and environmental, social and governance (ESG) reporting. These disclosures help investors understand a company's risks and strategies for better decision-making (EAA, 2024). The growing emphasis on transparency and accountability extends to large-scale infrastructure projects, as building resilient infrastructure through Public-Private Partnerships (PPPs) is one of the Sustainable Development Goals (SDGs) to be achieved by 2030 (UNECE, 2018). Moreover, infrastructure plays an important role in economic development, job creation, poverty reduction, and environmental sustainability (The World Bank, 2024). However, there is growing public demand for greater transparency and accountability in the disclosure practices of UK PPPs and their subsidiary companies, special purpose vehicles (SPVs), prompting firms to provide more voluntary disclosures (Acerete et al., 2019; Shaoul et al., 2010; Stafford & Stapleton, 2022; Viana et al., 2023).

Prior research highlights the importance of enhancing democratic accountability and associated transparency (Stafford & Stapleton, 2022), as well as evaluating the comprehensive impact of PPPs on various stakeholders beyond economic performance (Viana et al., 2022). Moreover, studies show the need to balance between transparency and commercial interests, advocating for full disclosure, citizen engagement, and expanded access to information, while also acknowledging the challenges posed by complex contracts and private sector confidentiality (Valverde & Moore, 2019).In particular, numerous studies highlight the importance of SPVs' stakeholder participation in improving their financial transparency and accountability in different country contexts. For example, a study by (Musawa et al., 2017) reveals that PPPs experts consider many voluntary disclosure items as essential for enhancing transparency and accountability in PPPs governance. In Spanish municipalities, increasing public and political pressure to facilitate greater access to financial data is emphasized as a means of enhancing accountability, democratic participation, and good governance (Royo et al., 2020). Sheppard & Beck (2022) also suggest that the government could enhance transparency in PPPs decision-making and strengthen public and client consultation requirements to reduce stakeholders' dissatisfaction. Recent studies also show that employing effective stakeholders' management, adopting a citizen-centric approach, and maintaining transparency throughout the project are important for ensuring success (Phyu, 2025). However, stakeholders' participation in the UK's PPPs projects has proven less effective due to the complex and opaque structures that undermine transparency and accountability (Agyenim-Boateng et al., 2017). While most studies have primarily examined public opinion on PPPs within various institutional contexts (Verweij & van Meerkerk, 2021; Yang et al., 2024), less attention has been given to how PPPs experts perceive the role of voluntary disclosure practices (Phyu & Demirag, 2025), as it is important to identify which accounting information works in practice and which is needed (Caperchione et al., 2017).

Building on an earlier study of SPVs and parent companies reporting in UK road-sector PPPs (Phyu & Demirag, 2025), this study extends that work by examining PPPs experts' perceptions of disclosure adequacy, transparency and accountability. Whereas the prior study analysed what information SPVs, and their parent companies disclose, the present research explores how PPPs experts interpret these disclosures, why reporting gaps persist, and how organisational structures and incentives shape transparency outcomes. Adopting an interpretive, exploratory approach, this study offers an expert-informed analysis of voluntary disclosure practices and accountability challenges in PPP governance.

Drawing on Bourgeois Political Economy Theory (BPET), this study views disclosure practices as shaped by interactions among multiple stakeholder groups with differing interests and levels of influence (Gray et al., 1995, 1996). From this perspective, voluntary disclosures may reflect efforts by organisations to balance stakeholder expectations, maintain legitimacy, and respond to social, political, and economic pressures (Cooper & Sherer, 1984). This theoretical lens is particularly relevant for understanding how parent companies of SPVs, regulators, investors, and other stakeholders influence transparency and accountability in PPP reporting.

Specifically, this paper addresses the following research questions (RQs):

1. What are the key financial disclosure practices of SPVs?
2. How do various stakeholder groups influence SPVs' financial and non-financial disclosure practices?

3. To what extent do PPPs experts perceive the voluntary disclosures and accountability practices of SPVs as transparent?
4. To what extent do PPPs experts address environmental reporting issues both within SPVs and their parent companies?

Through the lens of BPET, this study contributes to the PPP disclosure literature by examining the underexplored perspectives of PPP experts. It demonstrates how disclosure practices are shaped by power relations among stakeholders, identifies the constraining influence of parent companies on SPVs, and highlights weaknesses in current reporting frameworks, offering insights for strengthening reporting standards and public accountability.

The remainder of this study is presented as follows: Section 2 presents a literature review on transparency, accountability, and governance issues related to voluntary disclosure. Section 3 describes the research methods, and Section 4 presents the analysis of the survey results. Section 5 concludes with a discussion and suggestions for future research.

2. Literature review

PPPs, used to finance major capital investments, are long-term contractual agreements between a public procuring authority and the private sector (PPPs project companies). As shown in Figure 1, within the private sector in the UK, SPVs play a central role in designing, building, financing, maintaining, and operating (DBFMO) projects, as well as providing infrastructure and related services (National Audit Office, 2018). Once operational, the public sector makes monthly unitary charge (UC) payments to the private partner, covering construction, financing, maintenance, and service costs (Burke & Demirag, 2019). As of 31 March 2024, there were 665 operational Private Finance Initiative (PFI) projects, with an original capital value of £50 billion and an estimated £136 billion in remaining UC payments over the lifetime of the contracts, including £10.5 billion paid in 2023/2024 (Infrastructure and Project Authority, 2025). Given the scale, complexity of these financial commitments and appropriate use of public money, transparency in PPPs—particularly concerning SPVs—is essential for ensuring transparency and public accountability (Ahmad et al., 2021).

2.1 Transparency, accountability and governance issues

Transparency involves not only the quality, quantity, and level of public information but also an understanding of how this information is provided (Valverde & Moore, 2019). Moreover, transparency addresses concerns related to credibility, legitimacy, and visibility; a lack of transparency, therefore, indicates shortcomings in these critical areas (Shaoul et al., 2010). In the context of PPPs, simply advocating for increased transparency in public and private entities is insufficient (Valverde & Moore, 2019). Empirical evidence also indicates that information from publicly listed companies is either insufficient or not accessible (Viana et al., 2022; 2023). Prior studies have emphasized the lack of transparency and accountability in the decision-making, reporting, and governance processes of private entities of PPPs across various countries (Musawa et al., 2017; Shaoul et al., 2010; Stafford & Stapleton, 2022). A study by (Shaoul et al., 2010)evaluated the financial reporting practices of the UK's first eight DBFMO road projects, revealing significant opacity in SPVs' reporting, as none of the SPVs provided the desired financial disclosures, highlighting the need for greater transparency and accountability. Moreover, Acerete et al. (2018), for example, highlight the challenges in determining total financial commitments in DBFMO projects in the UK and Spain, showing limited information and uncertainty about payments tied to traffic volume. Likewise, Musawa et al. (2017) found that the voluntary disclosure practices of private construction companies in Malaysia were inadequate in both extent and quality.

Additionally, restricted access to PPPs documents during the development phase—often due to commercial confidentiality agreements—can hinder transparency and sustainability (Batjargal & Zhang, 2021). Furthermore, (Macário et al., 2015) show that many entities are involved in the PPPs processes, and the discussions held by committees regarding key matters remain undisclosed to the public. This complex network, characterised by the hybrid nature of PPPs and the diverse interests involved, contributes to inadequacies in governance mechanisms between SPVs and their parent companies, allowing these related parties to operate with less transparency and exert greater decentralised control (Caperchione et al., 2017). This highlights the broader challenge of ensuring financial transparency as an essential aspect of effective governance within organisations (Agyenim-Boateng et al., 2017).

To create public value in PPPs, a recent study emphasises not only improving financial disclosure but also prioritising specific governance factors such as environmental issues communication, and competition (Sheppard & Beck, 2022). Corporate governance and ownership structure significantly influence voluntary disclosure and firms with strong CSR performance and robust corporate governance tend to disclose higher-quality CSR information, which helps reduce their financing costs (Chi et al., 2020; Zamil et al., 2023).

2.2 Regulatory forces for voluntary disclosures

Although financial information disclosure and transparency are essential for building trust and managing risks (Abdullah & Khadaroo, 2020), excessive transparency can potentially lead to uncertainty and confusion among citizens, which in turn may hinder democratic accountability (Liu, 2024). In this context, studies have shown that effective regulatory oversight is crucial for enhancing financial transparency and accountability in PPP/PFI projects (Agyenim-Boateng et al., 2017; Wegrzyn et al., 2019). Supporting this viewpoint, a recent study by Cuomo et al. (2024) found that the 2014 EU Non-Financial Reporting Directive significantly improved CSR transparency and performance among EU firms from 2008 to 2018, particularly benefiting smaller firms, those closely followed by analysts, and firms in countries with robust legal systems.

The legal, normative, and cultural-cognitive pillars significantly impact sustainability disclosure (SD) practices in Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam. Stronger regulatory frameworks and the adoption of international standards, such as GRI, are associated with higher disclosure levels in these countries (Tran & Beddewela, 2020). In Turkey, an incoherent legal and regulatory framework for PPPs limits institutional capacity, placing most risks on the state, while private partners struggle to deliver value for money and affordable services (Ayhan & Üstüner, 2023). Thus, adopting international accounting standards may be necessary to improve transparency and prevent PPP/PFI impacts from being obscured in financial statements, especially in transactions between governments, parent firms and subsidiaries . Given these regulatory and governance challenges, PPPs experts may also play an important role in shaping disclosure practices of PPP projects by advocating for more robust regulatory frameworks and transparent reporting.

2.3 Stakeholders' influence on voluntary disclosure

The involvement of an independent party enhances transparency and stakeholder trust, thereby strengthening the PPP project's legitimacy (Tropeano et al., 2025). Shareholders in India value CSR elements like employee health, product quality, and environmental actions as essential alongside profitability, while community activities are viewed as moderately important, with factors such as education, employment status, and investment motives influencing their CSR perceptions (Talha et al., 2020). Moreover, managers from Nigerian listed companies view that stakeholders who control essential resources, such as financial institutions, customers, and creditors, can pressure firms to provide more information (Nyahas et al., 2018). Similarly, Indonesian firms are driven more by the need to meet stakeholders' demands and mitigate pressures from their socio-economic environments than by regulatory requirements (Ramananda & Atahau, 2020). Moreover, stakeholder groups exert varying degrees of influence on voluntary disclosure practices and shifts in stakeholder power—such as the increasing influence of foreign investors and domestic public shareholders—significantly impacted the disclosure behaviour of listed Chinese firms (Qu et al., 2013). They show that firms used voluntary disclosure as a strategy to manage relationships with stakeholders, particularly those who controlled critical resources like capital. Having briefly discussed the role of stakeholders in voluntary disclosure of firms, we now turn to the research method and data collection for our study.

3. Bourgeois Political Economy Theory

This study is informed by Bourgeois Political Economy Theory (BPET), which views corporate disclosure as a socially embedded activity influenced by the expectations and interests of multiple stakeholder groups (Cooper & Sherer, 1984; Guthrie & Parker, 1989). Rather than treating reporting as a purely technical exercise, BPET suggests that organisations operate within broader economic, political, and social environments that shape what information is communicated and to whom (Gray et al., 1995, 1996). The theory proposes that organisations respond differently to stakeholder demands depending on the relative influence of those stakeholders (Gray, 1988). Consequently, disclosure practices may reflect negotiations among competing interests, including those of regulators, investors, lenders, governments, communities, and corporate owners. Information is therefore not always provided solely to enhance accountability but may also be influenced by strategic considerations and organisational priorities (Gray et al., 1996).

This perspective is particularly relevant in PPPs settings, where SPVs operate within complex governance arrangements involving both public and private companies. The reporting practices of SPVs are often influenced by multiple parties such as parent companies, (Phyu & Demirag, 2025). As a result, decisions regarding financial and non-financial disclosures may be shaped by differing expectations regarding transparency, accountability, commercial sensitivity, and risk management. Moreover, BPET provides a useful framework for interpreting PPP experts' views on voluntary disclosure because the theory suggests how disclosure outcomes can be influenced by the relative power and interests of stakeholder groups. Applying this perspective allows the study to explore how experts perceive the role of parent companies, regulators, investors, lenders, and the public in shaping disclosure practices, as well as how these influences affect transparency and accountability within PPPs context.

4. Research method and data collection

Following a recent document analysis of SPVs and their parent companies reports (Phyu & Demirag, 2025), this study adopts an expert-survey approach to capture practitioner interpretations of the same issues. The questionnaire items were derived from the literature review and from findings indicating limited reporting practices among SPVs and their parent companies (Phyu & Demirag, 2025), enabling a direct comparison between these reporting gaps and experts' perceptions. The primary data were collected using Google Forms. Since the survey was conducted online, it is a self-administered questionnaire (Saunders et al., 2009). This self-administered online questionnaire offers self-control, makes it easy to identify the target audience, and ensures data reliability, as respondents read and answer the questions themselves (Witmer et al., 1999). Additionally, it allows for tracking the number of non-respondents within the sampled population (Saunders et al., 2009).

The survey, designed to address the research questions, includes five sections with 14 questions focusing on SPVs' voluntary disclosures, reporting practices, governing bodies, and influencing factors. Before distributing the questionnaire to PPPs experts, it was pre-tested by mailing it to 6 PPPs professionals working in PPPs project companies and colleagues. The feedback received during the pre-test was used to revise and refine the questionnaire. Each question was developed to capture unique insights into the roles of public and private sectors, the importance of various financial and non-financial disclosures, and the perceived influence of governance structures on reporting practices. The questions also examined PPPs experts' needs for financial transparency, the value placed on different sections of SPVs' annual reports, and the relative importance of environmental and social disclosures. Additionally, the questionnaire assessed the impact of voluntary disclosures in enhancing accountability, the influence of SPVs' boards and parent companies on disclosure practices, and the level of support for environmental accountability within SPVs. By providing a comprehensive view of these aspects, the study aims to clarify the influencing factors shaping disclosure practices in SPVs and their parent companies and highlight PPPs experts' priorities in fostering financial transparency.

The purposive or judgmental sampling method, as described in the study (Lune & Berg, 2017), was employed to examine the perceptions of transparency and voluntary disclosure among experienced PPPs experts. This method was employed to obtain informed insights from experts directly involved in PPP operations and decision-making processes. To achieve this, the same set of questionnaire was distributed to members of the PPPs Research LinkedIn Group[1], which includes over 4,000 professionals from both the public and private sectors. We chose this platform because it comprises a diverse group of PPPs experts, including academic researchers, public sector officials, and private sector professionals. Respondents were informed about the purpose of the research and assured that their participation was entirely voluntary and

[1] Public Private Partnership Research on LinkedIn (https://www.linkedin.com/groups/2569659/)

anonymous, with no personal or identifiable information collected at any stage. No sensitive personal data was gathered, and respondents were free to withdraw at any time without consequence. As the study did not involve any physical intervention, sensitive topics, or collection of personally identifiable information, we deemed that formal ethical approval was not necessary (European Commission, 2021). This approach aligns with standard ethical practices for anonymous and non-invasive online surveys involving professionals.

The LinkedIn platform us to easily identify participants based on their profiles, ensuring that the targeted individuals are relevant to the study. This not only enhances the credibility of the data collected but also allows us to reach professionals who are actively involved in PPPs operations, facilitating more accurate and relevant insights for our research. From this group, we identified 500 professionals who are directly involved in PPPs operations to ensure enough responses. The questionnaire was distributed starting on May 13, 2024, and data collection closed on July 20, 2024. Respondents were asked to provide ratings using a five-point scale, and a ranking score was applied for certain types of questions. We received responses from 10% of the targeted professionals, resulting in a total of 50 responses.

5. The findings and analysis

The first section asked about the survey respondents' professional background and their role in PPPs projects (see Table I). The respondents represented diverse roles, including project management, risk management, finance, and consultancy. The public sector demonstrates a stronger presence in project management, policy analysis, and academic research. Conversely, the private sector dominates in areas requiring specialised expertise, such as operations management, risk management, finance and accounting, and legal advisory roles. Both sectors also play significant roles in consultancy, with the public sector slightly leading compared to the private sector.

The following sections, Sections 2 to 5, present PPP experts' perspectives on key aspects of SPVs' transparency, including financial and non-financial disclosures, the role of parent companies, and environmental accountability. In Tables II to V, the high-rating (HR) column shows the percentage of respondents who selected 4 or 5 on the five-point scale, while the overall mean (OM) reflects the average rating from 1 (unimportant) to 5 (extremely important), indicating the perceived importance across all responses. The weighted average rank is calculated by multiplying each rank by the number of respondents selecting it, summing these values, and dividing by the total number of responses.

SPVs' financial measures: Importance and stakeholders' influence

Section two (Questions 2–5, see Table II) seeks to investigate experts' perceptions regarding the relevance of SPVs' financial disclosures and annual report sections, as well as stakeholder influence and the perceived benefits derived from such disclosures.

The breakdown of operating costs had the highest proportion of HR (84%), followed by the breakdown of revenue (78%). Penalties and rewards (72%), initial/additional capital cost (70%), and finance cost (68%) also received substantial support. Cash flow statements and related party transactions were similarly rated highly (76% each), indicating broad agreement on their relevance for transparency and performance monitoring. In contrast, items such as contingencies (58%), valuation of assets/liabilities (56%), and ring-fencing (50%) received more mixed responses, suggesting that their perceived importance varies across projects or stakeholder groups. OM scores show a similar pattern of relative emphasis. Items such as operating cost breakdown (4.31), revenue breakdown (4.20), related party transactions (4.23), and cash flow statements (4.23) were generally rated as important. Contingencies (3.65), valuation of assets/liabilities (3.70), and ring-fencing (3.73) also showed correspondingly moderate mean importance ratings. For usefulness, the financial statements (88% HR; OM = 4.66) and notes to the financial statements (94% HR; OM = 4.57) were viewed as the most helpful sections for understanding financial performance. The audit report was also valued (66% HR; OM = 4.06), while the strategic report (50% HR; OM = 3.73) and director report (52% HR; OM = 3.55) were rated as moderately useful.

SPVs' parent companies were the most frequently identified as key influencers for the breakdown of operating costs (56%), penalties and rewards (54%), and cash flow statements (52%). Parent organisations had notable influence in capital-related disclosures such as initial/additional capital costs (40%) and valuation of assets and liabilities (26%). Influence from shareholders was more limited but visible in areas like revenue and cash flow disclosures. These findings suggest that while core financial information is viewed as essential for performance assessment, disclosure practices are largely driven by SPV's parent companies—revealing their dominant control over SPVs' reporting.

Finally, perceived beneficiaries of disclosure also varied. Investors were seen as benefiting the most, with 96%, and creditors/lenders followed at 88 %. Regulators received 82%, and management 80 percent. In contrast, the public was viewed as benefiting least, with only 44 %. The OM scores aligned with these patterns: investors averaged 4.74, lenders 4.80, regulators 4.08, management 4.30, and the public 3.31.

Overall, the findings indicate that PPP experts place greatest importance on disclosures that support the assessment of financial performance, risk, and accountability, particularly information relating to operating costs, revenue, cash flow, and related-party transactions. Parent companies are perceived as important actors influencing SPVs' reporting practices, while the benefits of disclosure are viewed as accruing primarily to investors, lenders, regulators, and management. In contrast, the public appears to derive comparatively limited benefits from current reporting practices.

The usefulness of SPVs' disclosure and external influences

The third section (Questions 6–9) explores experts' perspectives on the value of voluntary disclosures by SPVs, including both financial and non-financial information. It also identifies the perceived usefulness of specific disclosure types and the relative influence of different stakeholder groups on shaping financial and non-financial disclosure practices. Understanding these expectations is important for guiding regulatory improvements and building trust in PPPs governance.

The findings show strong support for the provision of voluntary disclosures. Financial disclosures were highly endorsed, with 68% of respondents rating them as important and an OM of 3.90. Non-financial disclosures also received considerable support, with 58% of respondents rating them as important and an OM of 3.69. These results suggest a shared expectation for SPVs to go beyond mandatory reporting to ensure greater transparency and accountability. In terms of perceived usefulness, respondents rated financial disclosures as most valuable, with 78% HR and an OM of 4.22. Governance and ownership information followed, with 62% HR and an OM of 3.74. Environmental impact assessments were also considered useful, with 56% HR and an OM of 3.60, while social and community impacts received more moderate evaluations, with 54% HR and an OM of 3.46. Overall, the results underscore the importance of financial transparency, strong governance, and sustainability-related information for supporting stakeholder decisions and building trust (see Table III).

Regarding influence on disclosure practices (see Table IV), the SPV board ranked highest for financial disclosures (weighted average rank = 5.66), followed closely by regulators (5.40), government (5.10), and SPVs' parent companies (5.36). Influence from investors, banks, and the media was moderate to low, while the public was ranked as least influential (1.70). A similar pattern emerged for non-financial disclosures, where governments (5.86), regulators (5.52), and SPV boards (5.21) were viewed as key influencers. Investors, banks, and media played a lesser role, and once again, the public was perceived as having limited influence (2.60).

These findings highlight the important role of SPVs' parent companies, SPV boards, regulators, and government bodies in shaping disclosure practices across both financial and non-financial reporting domains. The relatively low perceived influence of the public and media suggests a disconnect between public interest in transparency and their practical influence on disclosure decisions. Together, these findings indicate that greater disclosure of financial, governance, and sustainability-related information may help reduce information asymmetries and strengthen accountability by enabling stakeholders to better assess project performance and risks.

The importance of disclosing SPVs' accounts in parent companies' reports

The fourth section (Questions 10–12, see Table V) examines stakeholder perspectives on the importance of disclosing SPVs' accounts in parent companies' annual reports. It evaluates key drivers of transparency, the usefulness of specific disclosure practices, and the perceived influence of parent companies on SPV-related financial reporting.

Respondents identified enhancing transparency for investors and stakeholders as the primary purpose of SPV disclosure, with 80% HR and an OM of 4.30. Facilitating risk assessment was similarly supported, with 78% HR and an OM of 4.29. Compliance with regulations received 72% HR and an OM of 4.08. Improving the accuracy of parent-company reporting also received 72% HR, although its lower OM of 3.88 indicates more varied views. Overall, these findings highlight transparency, regulatory compliance, and risk management as key drivers of SPV disclosure.

Regarding preferred transparency practices, respondents expressed strongest support for including a consolidated summary of SPV-related financial and non-financial information, with 82% HR and an OM of 4.10. Separate SPV reporting sections (68% HR; OM = 4.04), disclosures of SPVs' financial and non-financial impacts on parent companies (68% HR; OM = 3.88), and detailed accounting policies (66% HR; OM = 3.98) were also viewed as useful. These results indicate a preference for structured, consolidated, and easily identifiable SPV disclosures within parent-company reports.

In terms of influence on SPV-related reporting, parent companies were viewed as most influential over financial measures, with 68% HR and an OM of 4.22. Oversight and auditing (68% HR; OM = 3.89) and adherence to international standards (68% HR; OM = 4.18) were likewise perceived as strongly shaped by parent organisations. Influence over non-financial measures (54% HR; OM = 3.71) and director reports (52% HR; OM = 3.73) was seen as more moderate. These patterns show the vital role of parent companies in ensuring financial transparency and regulatory alignment in SPVs' reporting.

Overall, the findings show that parent companies play a central role in shaping the quality and extent of SPVs' financial reporting, which is essential for transparency, risk management, and regulatory compliance in PPPs operations. Experts strongly favoured clear, consolidated reporting practices—such as summary sections and dedicated SPVs' reporting. While parent companies exert strong influence over financial disclosures and adherence to standards, their influence on non-financial reporting is present but comparatively limited.

Environmental disclosure

The final section (Questions 13–14, see Table VI) investigates the respondents perceived importance of SPVs' environment-related financial disclosures and the extent to which SPVs should be held accountable for environmental issues.
Respondents viewed environmental disclosures as important across a range of financial and strategic assessments. For investment decisions in SPVs, 76% rated environmental information as highly important with an OM of 4.10. The same proportion, 76% HR with an OM of 4.12, considered these disclosures essential when granting loans to SPVs' related parties. Measuring SPV-related risks was the highest-rated area, with 78% HR and an OM of 4.22. Internal audit processes showed comparatively lower yet notable reliance on environmental information, with 54% HR and an OM of 3.50. Understanding SPVs' alignment with environmental sustainability goals was also valued, receiving 76% HR and an OM of 4.10, indicating strong interest in sustainability metrics. A large majority of respondents, 86%, further agreed that SPVs should be accountable and responsible for environmental issues. No respondents selected "not at all," reflecting broad consensus on accountability expectations

In sum, these findings highlight that environmental disclosures by SPVs are viewed as essential for investment decisions in equity of SPVs, loan approvals, risk assessments, and sustainability evaluations. There is a strong consensus that SPVs should be held accountable for environmental issues, reflecting stakeholder expectations for greater transparency and alignment with sustainability goals.

5.1 Differences in perceptions of public and private sector

5.1.1 Non-financial Reporting

A comparison between public- and private-sector respondents reveals notable differences in their perceptions of non-financial disclosure. Public-sector participants expressed stronger support for voluntary non-financial reporting, frequently rating such disclosures as highly important. In contrast, private-sector participants adopted a more cautious position, often assigning moderate ratings or expressing uncertainty about the extent to which SPVs should provide voluntary non-financial information.

Differences were also evident in the perceived usefulness of specific disclosure categories. Public-sector respondents consistently attached greater importance to environmental and social impact disclosures, viewing them as valuable tools for enhancing transparency and accountability. By contrast, private-sector respondents placed relatively greater emphasis on governance structures, ownership information, and financial measures, while assigning lower importance to environmental and community-related disclosures.

Views also differed regarding the stakeholders that influence non-financial reporting. Public-sector respondents identified governments and regulators as the most influential actors, whereas private-sector respondents perceived SPVs' boards, parent companies, and investors as exerting the greatest influence over disclosure practices. Similarly, public-sector respondents expressed stronger support for holding SPVs accountable for environmental issues, while private-sector respondents demonstrated more varied perspectives, ranging from strong support to neutrality and uncertainty.

5.1.2 Media Influence on Financial and Non-Financial Disclosure

The findings suggest that respondents perceive the media as exerting different levels of influence on financial and non-financial disclosure practices. For financial disclosures, both public- and private-sector respondents generally ranked the media among the least influential stakeholder groups, assigning greater importance to governments, regulators, boards, investors, and shareholders.

In contrast, the perceived influence of the media increased considerably in relation to non-financial disclosures. Respondents from both sectors viewed the media as an important driver of environmental and social reporting, with public-sector respondents particularly associating media influence with broader public accountability. Although private-sector respondents assigned slightly lower rankings, they also perceived the media as more influential in non-financial than in financial reporting.

Overall, the findings indicate that the media plays a limited role in shaping financial disclosure practices but is perceived as a more important influence on environmental and social accountability within PPPs.

5.1.3 Key Influences on SPVs' Disclosure Practices

The findings indicate that respondents perceive different actors as influencing SPVs depending on the reporting context. For financial measures, respondents frequently identified SPVs' parent companies, boards, and shareholders as the most influential groups, reflecting the importance of internal governance and ownership structures. In contrast, public-sector respondents viewed governments and regulators as the primary drivers of financial and non-financial disclosure requirements, whereas private-sector respondents placed greater emphasis on SPVs' boards and parent companies. While the media and the general public were perceived as having limited influence on technical financial disclosures, they were viewed as more influential in shaping environmental and social reporting. Across both sectors, internal governance actors were generally perceived as exerting greater influence over disclosure practices than external stakeholders.

5.1.4 Perceived Beneficiaries of SPVs' Financial Statements

The findings indicate that investors, regulators, management, creditors, and lenders are perceived as the primary beneficiaries of information disclosed in SPVs' financial statements. Respondents from both sectors consistently rated investors, management, and creditors/lenders as benefiting the most from financial disclosures, reflecting the importance of these reports for investment decisions, risk assessment, and strategic management. Regulatory bodies were also viewed as major beneficiaries, particularly by public-sector respondents, who emphasised their role in monitoring compliance and accountability.

Differences also emerged regarding the benefits to the general public. Public-sector respondents generally perceived SPVs' financial statements as providing significant value for transparency and public accountability, whereas private-sector respondents assigned more moderate ratings. Overall, while both sectors recognised financial stakeholders as the principal beneficiaries, public-sector respondents placed greater emphasis on the broader accountability benefits of financial reporting for regulators and the public.

5.1.5 Parent company influence on SPVs' reporting practices

The findings indicate that parent companies exert substantial influence over both the financial and non-financial reporting practices of SPVs. Respondents frequently identified parent companies as key actors shaping the disclosure of financial measures, including operating costs, revenue, finance costs, and capital expenditures. Parent companies were also perceived as influencing reporting through oversight mechanisms, auditing processes, and the enforcement of reporting standards.

Differences emerged between sectors regarding the extent of this influence. Private-sector respondents consistently ranked parent companies among the most influential stakeholders affecting both financial and non-financial disclosures, whereas public-sector respondents placed greater emphasis on governments and regulators while still recognising the important role of parent companies. Respondents also viewed the inclusion of SPV information in parent-company reports as important for enhancing transparency, facilitating risk assessment, and improving accountability through consolidated reporting and disclosure of SPVs' financial and non-financial impacts.

5.2 Conceptual framework of transparency and accountability in PPPs

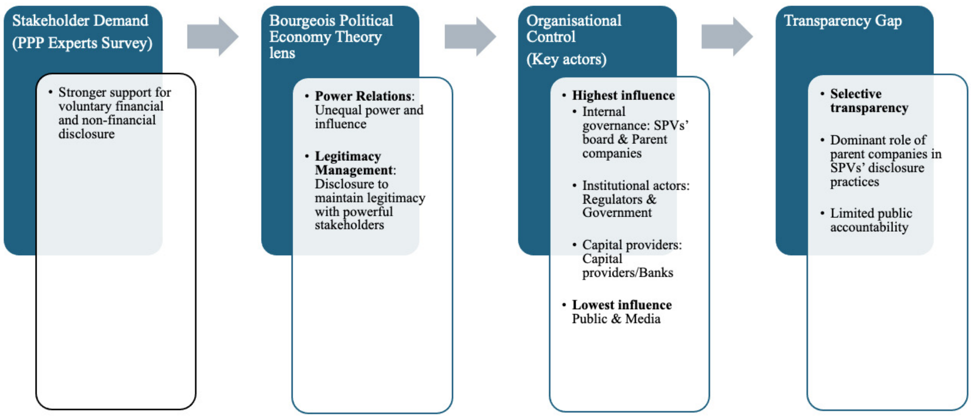

Figure 2. Transparency and accountability framework from BPET perspective

Figure 2 summarises the study's findings through the lens of Bourgeois Political Economy Theory (BPET). The framework illustrates that although PPP experts express strong support for greater voluntary financial and non-financial disclosure, disclosure outcomes are shaped by unequal power relations among stakeholder groups. Consistent with BPET, organisations seek to maintain legitimacy by responding primarily to stakeholders with greater economic and institutional influence. In the PPP context, parent companies, SPV boards, regulators, governments, and capital providers are perceived as the most influential actors in shaping disclosure practices, whereas the public and media exert comparatively limited influence. As a result, disclosure practices tend to reflect organisational priorities and governance structures rather than broader public accountability demands. This creates a transparency gap characterised by selective disclosure, strong parent-company influence, and limited public access to information, despite growing stakeholder expectations for greater transparency and accountability.

6. Discussion

A key insight emerging from this study is the dominant influence of parent companies on SPV reporting, which significantly constrains the reporting autonomy of these companies. This influence extends beyond ownership to shaping the type and extent of information disclosed through oversight, control mechanisms, and reporting requirements. While public-sector respondents continued to emphasise the role of regulators and governments, both public- and private-sector respondents recognised parent companies as central actors in determining reporting practices and accountability mechanisms. This suggests that disclosure outcomes in PPPs are shaped not only by transparency objectives but also by internal corporate interests and governance arrangements, consistent with previous studies highlighting governance and accountability challenges within PPP structures (Agyenim-Boateng et al., 2017; Stafford & Stapleton, 2022).

The study further reveals sectoral differences in expectations regarding reporting content and beneficiaries. Public-sector respondents prioritised environmental and social disclosures, viewing them as important tools for transparency and public accountability. In contrast, private-sector respondents placed greater emphasis on governance, ownership, and financial information, reflecting the needs of investors, creditors, and lenders with direct economic interests in SPVs' performance and risk exposure. These differences reinforce the BPET view that reporting is not a neutral process but a socially embedded activity shaped by the interests and influence of different stakeholder groups (Cooper & Sherer, 1984; R. Gray et al., 1995, 1996). Similar findings have been reported in the broader voluntary disclosure literature, where disclosure practices are influenced by stakeholders who control critical resources and exert varying degrees of power over organisations (Nyahas et al., 2018; Qu et al., 2013).

These power dynamics are also reflected in perceptions of media influence. While financial disclosures remain largely shaped by internal governance actors and financial stakeholders, environmental and social issues are more visible to the public and therefore attract greater media attention. The media was perceived as more influential in non-financial than financial reporting, suggesting that external visibility can create pressure for SPVs and their parent companies to demonstrate accountability and maintain legitimacy. However, the limited direct influence of the public indicates that broader societal demands do not automatically translate into stronger disclosure practices. This finding supports previous research suggesting that transparency is often shaped by broader political and social processes rather than public participation alone (Royo et al., 2020; Valverde & Moore, 2019).

Beyond broad accountability, respondents also identified transparency, risk management, and reporting accuracy as key priorities for disclosing SPV accounts in parent-company annual reports. The emphasis on financial statements, audit reports, and internal audit processes suggests that robust internal checks are viewed as important for building trust in complex PPP arrangements. These priorities provide the technical foundation for stronger financial and non-financial reporting, particularly as ESG-related expectations continue to evolve. The findings are consistent with evidence that effective audit functions contribute to improved transparency, accountability, and reporting quality (Lopes et al., 2023).

This structural dominance is especially important in non-financial reporting, where parent companies may shape how environmental and social information is disclosed. Although respondents strongly supported SPVs accountability for environmental issues, decision-making remains concentrated among a limited set of corporate and institutional actors. As ESG-driven reporting expectations increase, including through the Corporate Sustainability Reporting Directive (CSRD), there is a need for clearer regulatory requirements that align SPV reporting obligations with those of their parent companies. Without enforceable standards and independent oversight, the parent-driven disclosure model may continue to limit the effectiveness of transparency frameworks in ensuring substantive public accountability. These findings align with studies showing that greater transparency is associated with stronger sustainability practices and that regulatory frameworks play an important role in improving non-financial disclosure quality (Abhayawansa et al., 2021; Cuomo et al., 2024; Ríos et al., 2024).

This study offers significant contributions to the literature on voluntary disclosure practices within SPVs and their parent companies, particularly in PPPs. First, it advances prior research on SPVs' transparency by moving beyond document-based evidence (Phyu & Demirag, 2025) to capture how PPPs professionals themselves interpret disclosure adequacy and accountability. The findings highlight that limited disclosure is not merely a reporting shortfall but a reflection of institutional incentives, where contractual confidentiality, parent-company dominance, and weak oversight constrain openness. From a BPET perspective, these findings suggest that disclosure practices within PPPs are shaped by unequal power relations among stakeholder groups rather than by a purely neutral commitment to transparency. BPET argues that accounting disclosures are embedded within broader political, economic, and institutional structures that reflect the interests of dominant actors (Gray et al., 1995; Williams, 1999). The strong influence of parent companies, regulators, lenders, and investors identified in this study, together with the limited influence of the public and media, suggests that access to information remains largely controlled by actors possessing economic resources and decision-making authority. Consistent with previous PPPs research (Agyenim-Boateng et al., 2017; Stafford & Stapleton, 2022), transparency appears to function as a negotiated outcome shaped by governance arrangements and organisational interests rather than by public accountability demands alone. In line with BPET, voluntary disclosure may therefore serve not only as a mechanism for informing stakeholders but also as a strategy for maintaining legitimacy and managing relationships with powerful stakeholders while limiting exposure to reputational, political, or commercial risks. These findings also expand on previous research (Acerete et al., 2019; Shaoul et al., 2010) by offering a detailed analysis of expert perspectives, thereby bridging the gap between theoretical discussions and practical challenges in SPVs' transparency. Secondly, the findings support previous document-based evidence indicating limited progress toward comprehensive financial and environmental disclosure by SPVs and their parent companies (Phyu & Demirag, 2025). At the same time, they reveal growing professional support for non-financial reporting, particularly environmental and social disclosures, reflecting the increasing importance of sustainability and ESG considerations within PPP governance. Finally, as the first empirical study examining PPP experts' perceptions of SPV disclosure practices in the UK, this research provides a foundation for future comparative and longitudinal studies of transparency and accountability in PPPs.

The findings have important implications for policymakers and practitioners. Policymakers could enhance accountability by mandating standardized disclosure requirements for SPVs and their parent companies, covering both financial and non-financial information. Such reforms could strengthen transparency in Private Finance Initiative (PFI) arrangements and restore public trust. However, regulators must also recognize potential trade-offs: heightened transparency may expose financial weaknesses or elevate perceived risks, potentially increasing borrowing costs. Policymakers and practitioners should thus balance the pursuit of transparency with the need to maintain financial stability and project viability. Although grounded in the UK context, the findings have broader relevance for PPPs frameworks in other jurisdictions, especially developing economies where transparency challenges are more acute.

Despite its contributions, this study has several limitations. The modest sample size of fifty respondents and the reliance on a single-method survey design restrict the generalizability of the findings. Future research can employ a mixed method approach, integrating textual analyses of SPVs reports (Phyu & Demirag, 2025; Shaoul et al., 2010), stakeholder interviews, and cross-country comparisons would deepen understanding of how institutional, regulatory, and reputational pressures interact to shape transparency and accountability in PPPs. Future studies should examine how external factors—such as institutions, culture, and customs—influence the governance mechanisms of transparency in PPP/PFI projects (Agyenim-Boateng et al., 2017) and how these factors, in turn, affect project success or failure (Xiong et al., 2019). Subsequent research could examine transparency practices across different PPP models, providing comparative insights into how transparency and accountability requirements vary across frameworks. Additionally, future work could extend why public, and media influence is perceived as minimal and whether targeted communication strategies could enhance their role in promoting transparency and accountability.

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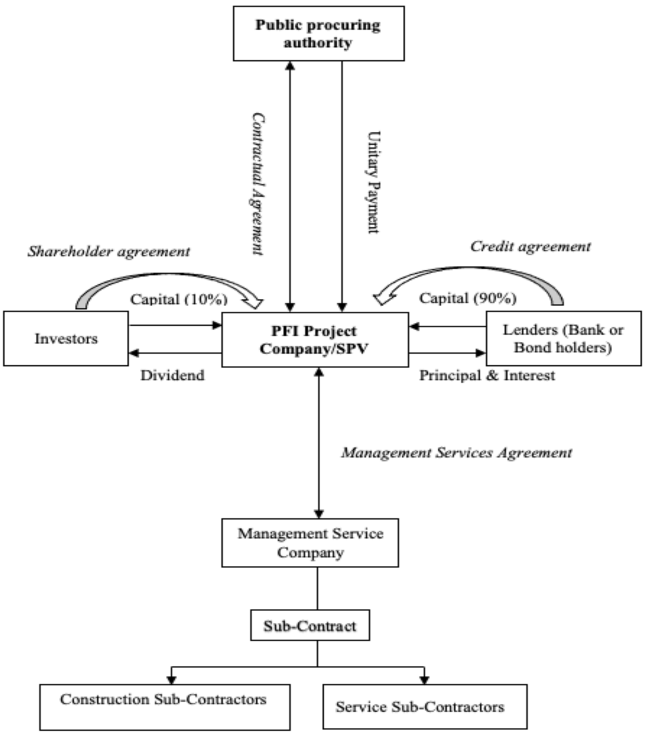
Figure 1. The UK's PFI structure



Source: (National Audit Office, 2018; Phyu & Demirag, 2025)

Table I. Roles of Participants

	Public Sector	Private Sector
Human Resource	4	2
Project Management	11	7
Operation Management	2	5
Risk Management	4	8
Marketing and Public Relations	4	2
Finance and Accounting	3	8
Consultant	15	12
Legal Advisor	6	8
Policy Analyst	9	2
Academic Researcher	5	3

Table II. Disclosure Importance, Usefulness, and beneficiary

Category	**Item**	**High rating (HR)**	**Overall mean (OM)**	**Stakeholder influence rating**	
				Board	Parent
Disclosure importance	Breakdown of operating cost	84%	4.31	56%	16%
Disclosure importance	Breakdown of revenue	78%	4.20	38%	26%
Disclosure importance	Penalties and rewards	72%	4.08	54%	18%
Disclosure importance	Finance cost	68%	3.86	36%	30%
Disclosure importance	Initial/additional capital cost	70%	3.92	26%	40%
Disclosure importance	Valuation of assets/liabilities	56%	3.70	40%	26%
Disclosure importance	Contingencies	58%	3.65	54%	24%
Disclosure importance	Ring-fencing	50%	3.73	38%	34%
Disclosure importance	Related party transactions	76%	4.23	44%	36%
Disclosure importance	Cash flow statement	76%	4.23	52%	12%
Usefulness	Strategic report	50%	3.73	-	-

Usefulness	Director report	52%	3.55	-	-
Usefulness	Audit report	66%	4.06	-	-
Usefulness	Financial statements	88%	4.66	-	-
Usefulness	Notes to financial statements	94%	4.57	-	-
Beneficiary	Investors evaluating financial health	96%	4.74	-	-
Beneficiary	Regulators for compliance	82%	4.08	-	-
Beneficiary	Creditors and lenders	98%	4.80	-	-
Beneficiary	Management decision-making	80%	4.30	-	-
Beneficiary	General public	44%	3.31	-	-

Table III. Importance and Usefulness of SPVs' Disclosure

Category	**Item**	**Highly importance**	**Overall mean**
Importance	Voluntary financial disclosure	68%	3.90
Importance	Voluntary non-financial disclosure	58%	3.69
Disclosure Usefulness	Disclosure of financial measures	78%	4.22
Disclosure Usefulness	Environmental Impact Assessments	56%	3.60
Disclosure Usefulness	Governance & ownership structures	62%	3.74
Disclosure Usefulness	Social & community impacts	54%	3.46

Table IV. Ranking of influencers on SPV Reporting

Financial disclosure		**Weighted avg rank**
Influence	SPVs' board	5.66
Influence	Regulators	5.40
Influence	Government	5.10
Influence	SPVs' parent companies	5.36
Influence	Investors	5.14
Influence	Banks	5.24
Influence	Media	2.40
Influence	General public	1.70
Non-finance disclosure		
Influence	SPVs' board	5.21
Influence	Government	5.86
Influence	Regulators	5.52
Influence	SPVs' parent companies	4.78
Influence	Investors	4.84
Influence	Banks	4.04
Influence	Media	2.92
Influence	General public	2.60

Table V. SPV Disclosure: Importance and Influence

Category	Item	High rating	Overall mean
Importance of SPVs' account	Enhancing transparency for investors/stakeholders	80%	4.30
Importance of SPVs' account	Complying with regulations	72%	4.08
Importance of SPVs' account	Improving parent company accuracy	72%	3.88
Importance of SPVs' account	Facilitating risk assessment	78%	4.29
Transparency Practice	Separate section for SPVs' accounts	68%	4.04
Transparency Practice	Financial/non-financial impact on parent	68%	3.88
Transparency Practice	Summary of SPVs' info	82%	4.10
Transparency Practice	Detailed accounting policies	66%	3.98
Parent Influence	Reporting financial measures	68%	4.22

Parent Influence	Reporting non-financial measures	54%	3.71
Parent Influence	Active oversight & auditing	68%	3.89
Parent Influence	Director report	52%	3.73
Parent Influence	Adherence to international standards	68%	4.18

Table VI. Environmental Disclosure and Accountability in SPVs

Category	**Item**	**High importance**	**Overall mean**
Environmental Disclosure	For investment decisions in SPVs	76%	4.10
Environmental Disclosure	For granting loans to related parties	76%	4.12
Environmental Disclosure	For measuring SPVs' risks	78%	4.22
Environmental Disclosure	For internal audit	54%	3.50
Environmental Disclosure	For understanding alignment with sustainability goals	76%	4.10
Environmental Accountability	SPVs should be absolutely/very responsible	86%	NA

Curriculum Vitae

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- Phyu, H.T. (2026). A systematic review of transparency in Public-Private Partnerships: Current trends and future research directions. *International Journal of Construction Management*, 26(9), 1905-1924, https://doi.org/10.1080/15623599.2025.2568105
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